

U.S. SANCTIONS

Affected by the Interim Deal with Iran

On November 24th, Iran and the P5+1 powers agreed on an interim deal that would freeze key parts of Iran's nuclear program in exchange for limited sanctions relief. The deal is intended to halt Iran's nuclear progress, allowing for negotiations towards a final deal to be completed in six months. For its part of the deal, Iran will halt enrichment above the 5% level, neutralize its stockpile of near-20% uranium, halt installation of new centrifuges, limit work on the Arak heavy-water reactor, as well as granting greater access to IAEA inspectors. In return, the P5+1 is offering limited sanctions relief: agreeing to not impose new nuclear related-sanctions for six months while suspending some sanctions on petrochemical exports, gold and precious metals, Iran's auto sector, and civil aviation sector.

PETROCHEMICAL PRODUCTS AND ASSOCIATED SERVICES

Text of the Deal: Suspend U.S. and EU sanctions on Iran's petrochemical exports, as well as sanctions on associated services.

U.S. SANCTIONS:

Executive Order 13622 Authorizing Additional Sanctions with Respect to Iran (2012)

RELEVANT PROVISIONS:

- Applies sanctions similar to those laid out by ISA to foreign financial institutions that have knowingly conducted or facilitated significant transactions with the National Iranian Oil Company or Naftiran Intertrade Company or transactions for the purchase of petroleum, petroleum products, or petrochemical products from Iran.
- Sanctions on associated services include: credit unions; security firms, including brokers or dealers; insurance companies, including agencies or underwriters; and any other companies that provide financial services.
- The executive branch can unilaterally amend or repeal these measures.

WHAT'S INCLUDED IN SANCTIONS RELIEF:

Petrochemical products, which make up a major share of Iran's non-oil revenues, are chemical products derived from petroleum, including: any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea. Relaxing sanctions on petrochemical products leaves the core architecture of sanctions on Iranian crude oil and refined petroleum products in place. "Associated services" can include shipping, insurance, or financial services that facilitate transactions for Iranian petrochemical products.



GOLD AND PRECIOUS METALS

Text of the Deal: Suspend EU and U.S. sanctions on gold and precious metals, as well as sanctions on associated services.

U.S. SANCTIONS:

National Defense Authorization Act of 2013 Sections 1244 and 1245 (2013)

RELEVANT PROVISIONS:

- Sanctions will be placed on persons who sell, supply, or transfer precious metals or materials used in connection with the energy, shipping or shipbuilding sectors or connected to the nuclear, military or ballistic missile programs of Iran.
- The President may waive sanctions for a period of up to 180 days with the requirement that he certifies to the appropriate congressional committees that such a waiver is vital to the national security interests of the United States.

AUTOMOTIVE INDUSTRY

Text of the Deal: Suspend U.S. sanctions on Iran's auto industry, as well as sanctions on associated services.

U.S. SANCTIONS:

Executive Order 13645 Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Freedom and Counter-Proliferation Act of 2012 and Additional Sanctions with Respect to Iran (2013)

RELEVANT PROVISIONS:

- Imposes ISA sanctions on firms that supply goods or services to Iran's automotive (cars, trucks, buses, motorcycles, and related parts) sector, and blocks foreign banks from the U.S. market if they finance transactions with Iran's automotive sector
- An executive order cannot amend a law, so the order does not amend ISA and the President is actually empowered to offer sanctions relief through unilateral action on this Executive Order.
- The additional sanctions included in the bill, that has yet to be passed by the Senate, include the automotive sector, which would codify Executive Order 13546 into law, taking away the President's ability to unilaterally repeal it.

Nuclear Iran Prevention Act of 2013

CIVIL AVIATION

Text of deal: License the supply and installation in Iran of spare parts for safety of flight for Iranian civil aviation and associated services. License safety related inspections and repairs in Iran as well as associated services.

U.S. SANCTIONS:

Executive Order 12959

Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA)

RELEVANT PROVISIONS:

- Imposed a trade ban on Iran – including whole aircraft, spare parts, and technical assistance.
- Codified the trade ban in Section 103 with an exemption for goods to allow civilian aircraft to fly safely.
- The trade ban, having been codified into law by CISADA, requires Congressional action to more formally undo.
- Fuel for aviation is considered a “refined petroleum product” and is sanctioned through CISADA’s amendments to the ISA (Section 102).

1225 Eye Street NW, Suite 1000
Washington, DC 20005
(202) 204-2400



BIPARTISAN POLICY CENTER