

# US tightens Iran approach by imposing new sanctions

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The Office of Foreign Assets Control (OFAC) has imposed new economic sanctions in February 2017 on 25 individuals and entities involved in the Iranian ballistic missile programme, as well as on those that have provided support to Iran's Islamic Revolutionary Guard Corps-Qods Force.

These US sanctions were issued in response to Iran's recent missile tests and are, according to OFAC, consistent with US commitments under the Joint Comprehensive Plan of Action (JCPOA). The newly designated individuals and entities will have their property or interests in property within US jurisdiction blocked. Moreover, both US persons and non-US persons are prohibited from engaging in any transactions with these individuals and entities because of their placement on the Specially Designated Nationals List. If you are currently engaged in or contemplating activities relating to Iran, it is advisable to closely follow any new sanction developments against Iran, as well as any direction the new US administration chooses to follow with respect to sanctions against Iran, including the JCPOA.

The newly published sanctions [list](#) includes individuals, entities and networks situated in Iran, the United Arab Emirates, Lebanon and China. US administration officials have indicated that the new sanctions do not affect individuals or entities whose sanctions were lifted as a result of the JCPOA's implementation in January 2016.

The current US administration has on multiple occasions indicated its intention to adopt a stricter approach towards its relations with Iran. The newly imposed sanctions could be the first concrete step in the US adhering to the JCPOA, but at the same time intensifying its use of economic sanctions for reasons relating to terrorism and Iran's ballistic missile programme, which are not addressed by the JCPOA. OFAC Director John E. Smith said in a [statement](#): "Today's action is part of the Treasury's ongoing efforts to counter Iranian malign activity abroad that is outside the scope of the JCPOA. We will continue to actively apply all available tools, including financial sanctions, to address this behaviour."

As set out in more detail in our [Legal Alert](#) of 19 January 2016, the JCPOA has led to a significant relief of EU and US (secondary) sanctions against Iran, in return for a restriction of Iran's nuclear programme. As a result, non-US companies are able to pursue new business opportunities, such as investing in the Iranian economy and entering into transactions with Iranian parties. Although an overall withdrawal from the JCPOA by the US is not considered likely in the near future, changes in US foreign policy could negatively impact the existing framework of economic sanctions against Iran. Securing exit rights in any transaction with Iran thus remains critical to ensure compliance with both EU and US law. It is also crucial to closely follow developments relating to newly imposed sanctions, as well as the direction the new US administration chooses to adopt. We will continue to carefully

monitor the actions of the US administration and keep you informed. (See also our [crystal ball gazing article](#) of January 2017).