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DEPARTMENT OF STATE
[Public Notice 8809]

Provision of certain temporary and limited sanctions relief in order to implement the Joint Plan of Action of November 24, 2013 between the P5+1 and the Islamic Republic of Iran, as extended through November 24, 2014

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: On November 24, 2013, the United States and its partners in the P5+1 (France, the United Kingdom, Russia, China, and Germany) and the EU reached an initial understanding with Iran, outlined in a Joint Plan of Action (JPOA), that halts progress on its nuclear program and rolls it back in key respects. In return, the P5+1 committed to provide limited, temporary, and targeted sanctions relief to Iran. The JPOA was scheduled to expire after July 20, 2014.

The JPOA was renewed by mutual consent of the P5 + 1, EU, and Iran on July 19, 2014, extending the temporary sanctions relief provided under the JPOA through November 24, 2014 (the Extended JPOA Period), in order to continue to negotiate a long-term comprehensive solution to prevent Iran from acquiring a nuclear weapon and to ensure that Iran's nuclear program will be exclusively peaceful.

This Notice outlines the U.S. government actions taken to implement the sanctions relief aspects of this understanding.

DATES: EFFECTIVE DATE: The effective dates of these waiver actions are as described in the determinations set forth below.

FOR FURTHER INFORMATION CONTACT: On general issues: John Hughes, Office of Economic Sanctions Policy and Implementation, Department of State, Telephone: (202) 647-7489.

SUPPLEMENTARY INFORMATION: To implement this limited sanctions relief, the U.S. government has executed temporary, partial waivers of certain statutory sanctions and has issued guidance regarding the suspension of sanctions under relevant Executive Orders and regulations. All U.S. sanctions not explicitly waived or suspended pursuant to the JPOA as extended remain fully in force, including sanctions on transactions with individuals and entities on the SDN List unless otherwise specified.

Furthermore, U.S. persons and foreign entities owned or controlled by U.S. persons ("U.S.-owned or -controlled foreign entities") continue to be generally prohibited from conducting transactions with Iran, including any transactions of the types permitted pursuant to the JPOA as extended, unless licensed to do so by the Office of Foreign Assets Control (OFAC). The U.S. government will continue to enforce U.S. sanctions laws and regulations against those who engage in sanctionable activities that are not covered by the suspensions and temporary waivers pursuant to the JPOA as extended.

All suspended sanctions are scheduled to resume on November 25, 2014 unless further action is taken by the P5+1 and Iran and subsequent waivers and guidance are issued by the U.S. government. Companies engaging in activities covered by the temporary sanctions relief described in this fact sheet should expect sanctions to apply to any activities that extend beyond the current end date of the Extended JPOA Period, November 24, 2014. The temporary suspension of sanctions applies only to

activities that begin and end during the period January 20, 2014 to November 24, 2014. Except as specified below with respect to payments for insurance claims, the suspension does not apply to any related, otherwise sanctionable conduct, including shipping and financial activities, undertaken before that period or after that period, even if they are undertaken pursuant to contracts entered into during the JPOA period or Extended JPOA Period. For example, deliveries of goods or services after the Extended JPOA Period would be sanctionable even if relevant contracts were entered into during the JPOA Period or Extended JPOA Period.

To the extent that the provision of insurance or reinsurance is an associated service of an activity for which the JPOA provides temporary relief, the provision of such insurance or reinsurance by a non-U.S. person not otherwise subject to the Iranian Transactions and Sanctions Regulations (ITSR) during the Extended JPOA Period would not be sanctionable.

Insurance payments for claims arising from incidents that occur during the JPOA Period and/or Extended JPOA Period may be paid after November 24, 2014, so long as the underlying transactions and activities conform to all other aspects of the sanctions remaining in place and the terms of the sanctions relief provided in the JPOA. Insurance and reinsurance companies should contact the U.S. government directly with any inquiries.

U.S. persons and their foreign subsidiaries remain prohibited from participating in the provision of insurance or reinsurance services to or for the benefit of Iran or sanctioned entities, including with respect to all elements of the sanctions relief provided pursuant to the JPOA, unless specifically authorized by OFAC.

The Secretary of State took the following action:

Acting under the authorities vested in me as Secretary of State, including through the applicable delegations of authority, I hereby make the following determinations and certifications:

Pursuant to Sections 1244(i), 1245 (g), 1246(e), and 1247(f) of the Iran Freedom and Counter-Proliferation Act of 2012 (subtitle D of title XII of Pub. L. 112-239, 22 U.S.C. 8801 *et seq.*) (IFCA), I determine that it is vital to the national security of the United States to waive the imposition of sanctions pursuant to:

1. Section 1244(c)(1) of IFCA¹ to the extent required for:

- a. transactions by non-U.S. persons for the export from Iran of petrochemical products,² and for associated services, excluding any transactions involving persons on the list of specially designated nationals and blocked persons of the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury (hereinafter the SDN List) except for the following companies: Bandar Imam Petrochemical Company; Bou Ali Sina Petrochemical Company; Ghaed Bassir Petrochemical

¹ Pursuant to section 1244(c)(2)(C)(iii) of IFCA, the relevant sanction in Section 1244(c)(1) continues not to apply, by its terms, in the case of Iranian financial institutions that have not been designated for the imposition of sanctions in connection with Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction, support for international terrorism, or abuses of human rights (as described in section 1244(c)(3)).

² 77 FR 67726-67731 (Nov. 13, 2012).

Products Company; Iran Petrochemical Commercial Company; Jam Petrochemical Company; Marjan Petrochemical Company; Mobin Petrochemical Company; National Petrochemical Company; Nouri Petrochemical Company; Pars Petrochemical Company; Sadaf Petrochemical Assaluyeh Company; Shahid Tondgooyan Petrochemical Company; Shazand Petrochemical Company; and Tabriz Petrochemical Company;

- b. transactions by U.S. or non-U.S. persons for the supply and installation of spare parts necessary for the safety of flight for Iranian civil aviation, for safety-related inspections and repairs in Iran, and for associated services, provided that OFAC has issued any required licenses, excluding any transactions involving persons on the SDN List except for Iran Air;

- c. transactions by non-U.S. persons to which sanctions would not apply if an exception under section 1244(g)(2) of IFCA were applied to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, and for insurance and transportation services associated with such transactions, provided that such transactions are consistent with the purchase amounts provided for in the Joint Plan of Action of November 24, 2013, as extended, excluding any transactions or associated services involving persons on the SDN List except for the National Iranian Oil Company and the National Iranian Tanker Company;

d. transactions by non-U.S. persons for the sale, supply or transfer to or from Iran of precious metals, provided that such transactions are within the scope of the waiver of Sections 1245(a)(1)(A) and 1245(c) of IFCA (section 3 below), and for associated services, excluding any transactions involving persons on the SDN List except for any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599;

2. Section 1244(d) of IFCA to the extent required for the sale, supply or transfer of goods or services by non-U.S. persons in connection with transactions by non-U.S. persons to which sanctions would not apply if an exception under section 1244(g)(2) of IFCA were applied to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, and for insurance and transportation services associated with such transactions, provided that such transactions are consistent with the purchase amounts provided for in the Joint Plan of Action of November 24, 2013, as extended, excluding any transactions or associated services involving persons on the SDN List except for the National Iranian Oil Company and the National Iranian Tanker Company;

3. Sections 1245(a)(1)(A) and 1245(c) of IFCA to the extent required for transactions by non-U.S. persons for the sale, supply, or transfer to or from Iran of precious metals, provided that:

a. such transactions do not involve persons on the SDN List, except for any political subdivision,

agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599 or any Iranian depository institution listed solely pursuant to E.O. 13599; and

b. this waiver shall not apply to transactions for the sale, supply, or transfer to Iran of precious metals involving funds credited to an account located outside Iran pursuant to Section 1245(d)(4)(D)(ii)(II) of the National Defense Authorization Act for Fiscal Year 2012;

4. Section 1246(a) of IFCA³ to the extent required for the provision of underwriting services or insurance or reinsurance:

a. by non-U.S. persons for the export from Iran of petrochemical products and for associated services, excluding any transactions involving persons on the SDN List except for the following companies: Bandar Imam Petrochemical Company; Bou Ali Sina Petrochemical Company; Ghaed Bassir Petrochemical Products; Iran Petrochemical Commercial Company; Jam Petrochemical Company; Marjan Petrochemical Company; Mobin Petrochemical Company; National Petrochemical Company; Nouri Petrochemical Company; Pars Petrochemical Company; Sadaf Petrochemical Assaluyeh Company; Shahid Tondgooyan Petrochemical Company;

³ Pursuant to section 1246(a)(1)(C) of IFCA, the relevant sanction in section 1246(a)(1) continues not to apply, by its terms, in the case of Iranian financial institutions that have not been designated for the imposition of sanctions in connection with Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction, support for international terrorism, or abuses of human rights (as described in section 1246(b)).

Shazand Petrochemical Company; and Tabriz Petrochemical Company;

- b. by U.S. persons or non-U.S. persons for the supply and installation of spare parts necessary for the safety of flight for Iranian civil aviation, for safety-related inspections and repairs in Iran, and for associated services, provided that OFAC has issued any required licenses, excluding any transactions involving persons on the SDN List except for Iran Air;

- c. by non-U.S. persons for transactions to which sanctions would not apply if an exception under section 1244(g) (2) of IFCA were applied to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, and for insurance and transportation services associated with such transactions, provided that such transactions are consistent with the purchase amounts provided for in the Joint Plan of Action of November 24, 2013, as extended, excluding any transactions or associated services involving persons on the SDN List except for the National Iranian Oil Company and the National Iranian Tanker Company; and

- d. by non-U.S. persons for the sale, supply or transfer to or from Iran of precious metals, provided that such transactions are within the scope of the waiver of Sections 1245(a) (1) (A) and 1245(c) of IFCA, and for associated services, excluding any transactions involving persons on the SDN List except for any

political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599;

e. by non-U.S. persons for the sale, supply or transfer to Iran of goods and services used in connection with the automotive sector of Iran and for associated services, excluding any transactions involving persons on the SDN List.

5. Section 1247(a) of IFCA⁴ to the extent required for transactions by foreign financial institutions on behalf of:

a. Bandar Imam Petrochemical Company; Bou Ali Sina Petrochemical Company; Ghaed Bassir Petrochemical Products; Iran Petrochemical Commercial Company; Jam Petrochemical Company; Marjan Petrochemical Company; Mobin Petrochemical Company; National Petrochemical Company; Nouri Petrochemical Company; Pars Petrochemical Company; Shahid Tondgooyan Petrochemical Company; Sadaf Petrochemical Assaluyeh Company; Shahid Tondgooyan Petrochemical Company; Shazand Petrochemical Company; and Tabriz Petrochemical Company for the export from Iran of petrochemicals;

b. Iran Air for the supply and installation of spare parts necessary for the safety of flight by Iran

⁴ Pursuant to section 1247(a) of IFCA, the relevant sanction in section 1247(a) still continues not to apply, by its terms, in the case of Iranian financial institutions that have not been designated for the imposition of sanctions in connection with Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction, support for international terrorism, or abuses of human rights (as described in section 1247(b)).

Air and for safety-related inspections and repairs for Iran Air, provided that OFAC has issued any required licenses;

- c. the National Iranian Oil Company and the National Iranian Tanker Company for transactions by non-U.S. persons to which sanctions would not apply if an exception under section 1244(g)(2) of IFCA were applied to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, provided that such transactions are consistent with the purchase amounts provided for in the Joint Plan of Action of November 24, 2013, as extended, excluding any transactions or associated services involving any other persons on the SDN List; and
- d. any political subdivision, agency, or instrumentality of the Government of Iran listed solely pursuant to E.O. 13599 for the sale, supply or transfer to or from Iran of precious metals, provided that such transactions are within the scope of the waiver of Sections 1245(a)(1)(A) and 1245(c) of IFCA.

Pursuant to Section 4(c)(1)(A) of the Iran Sanctions Act of 1996 (Pub. L. 104-172, 50 U.S.C. 1701 note) (ISA), I certify that it is vital to the national security interests of the United States to waive the application of section 5(a)(7) of ISA to the National Iranian Oil Company and the National Iranian Tanker Company to the extent required for insurance and transportation services provided on or after July 18, 2014, and associated with transactions to which

sanctions would not apply if an exception under section 1244(g)(2) of IFCA were applied to China, India, Japan, the Republic of Korea, Taiwan, and Turkey, provided that such transactions are consistent with the purchase amounts provided for in the Joint Plan of Action of November 24, 2013, as extended.

These waivers shall take effect upon their transmittal to Congress, unless otherwise provided in the relevant provision of law, and the waivers shall apply to transactions during the period July 18, 2014, through November 24, 2014.

(Signed John F. Kerry, Secretary of State)

Therefore, these sanctions have been waived as described in the determinations above. Relevant agencies and instrumentalities of the United States Government shall take all appropriate measures within their authority to carry out the provisions of this notice.

Dated: July 28, 2014
Charles H. Rivkin,

Assistant Secretary for
Economic and Business
Affairs.

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