

OFAC Revokes JCPOA-Related General Licenses and Issues Wind-Down Authorizations

June 27, 2018

Following the President's May 8, 2018 withdrawal from the Joint Comprehensive Plan of Action (JCPOA), today, the Office of Foreign Assets Control (OFAC) revoked General License H (GL H), which authorized U.S.-owned or -controlled foreign entities to engage in business with Iran, and General License I (GL I), which authorized U.S. persons to negotiate and enter into contingent contracts related to activities subject to OFAC's (since revoked) favorable licensing policy for commercial passenger aircraft and related parts and services.

In conjunction with these changes, OFAC authorized the following wind-down activities:

- All transactions and activities that are ordinarily incident and necessary to the wind-down of transactions relating to foreign entities owned or controlled by U.S. persons that were previously authorized under GL H, including transactions by U.S. parent companies and other U.S. persons related to necessary modifications of operating policies and procedures and continued use of automated and globally integrated business support systems to facilitate wind-down activities. Such wind-down transactions are authorized through November 4, 2018.
- All transactions and activities ordinarily incident and necessary to the wind-down of transactions related to the negotiation of contingent contracts for the export/reexport to Iran of commercial passenger aircraft and related parts and services previously authorized under GL I. These wind-down transactions are authorized through August 6, 2018.

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Practice Areas

International Trade

- All transactions and activities ordinarily incident and necessary to the wind-down of transactions related to the importation into the United States of, and dealings in, certain Iranian-origin carpets and foodstuffs, such as pistachios and caviar. Such wind-down transactions are authorized through August 6, 2018.

Typically, wind-down activities do not cover “new” transactions. OFAC has stated that any activities involving Iran that continue after the wind-down periods conclude could be subject to enforcement actions, and that in evaluating potential enforcement or sanctions actions to take, OFAC will consider the efforts made to wind down activities prior to the conclusion of the applicable wind-down period. In other words, without explicitly stating as much, the U.S. government appears to be putting companies on notice that if they engage in new business with Iran during the wind-down periods, they do so at their own peril.