



The Joint Comprehensive Plan of Action Timeline to Implementation

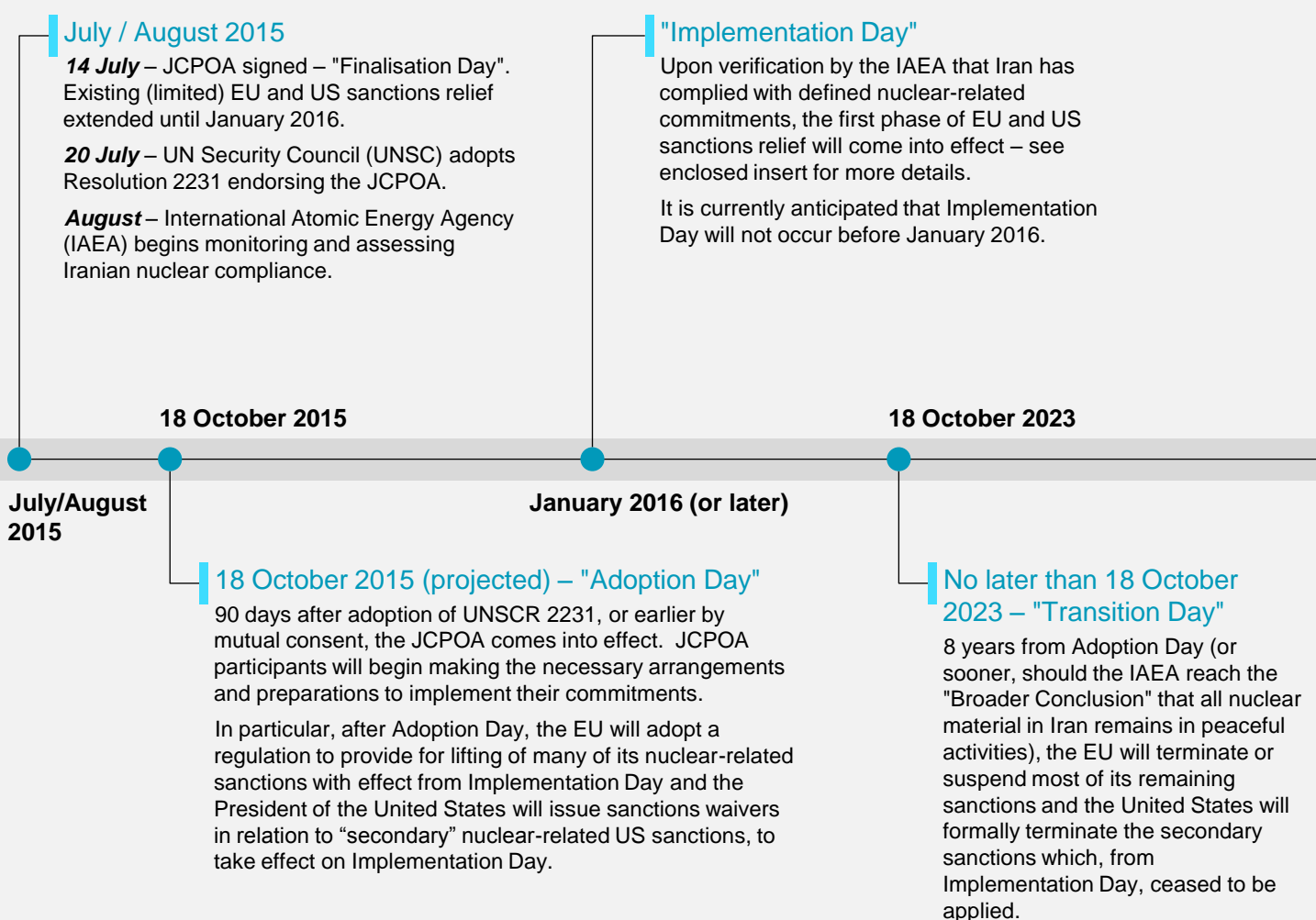
C L I F F O R D
C H A N C E

The JCPOA – Timeline to Implementation

The Joint Comprehensive Plan of Action (JCPOA) on Iran's nuclear programme presents companies and individuals with a potentially historic opportunity to consider new business opportunities with Iran. It also presents unique compliance challenges which need to be taken into consideration prior to any prospective business planning.

The JCPOA envisages a phased lifting of UN, EU and US sanctions related to Iran's nuclear programme in exchange for Iran's agreement never to "*seek, develop or acquire any nuclear weapons*" – a promise backed by detailed inspections and monitoring.

The timeline below sets out key dates in the implementation process as envisaged by the JCPOA.



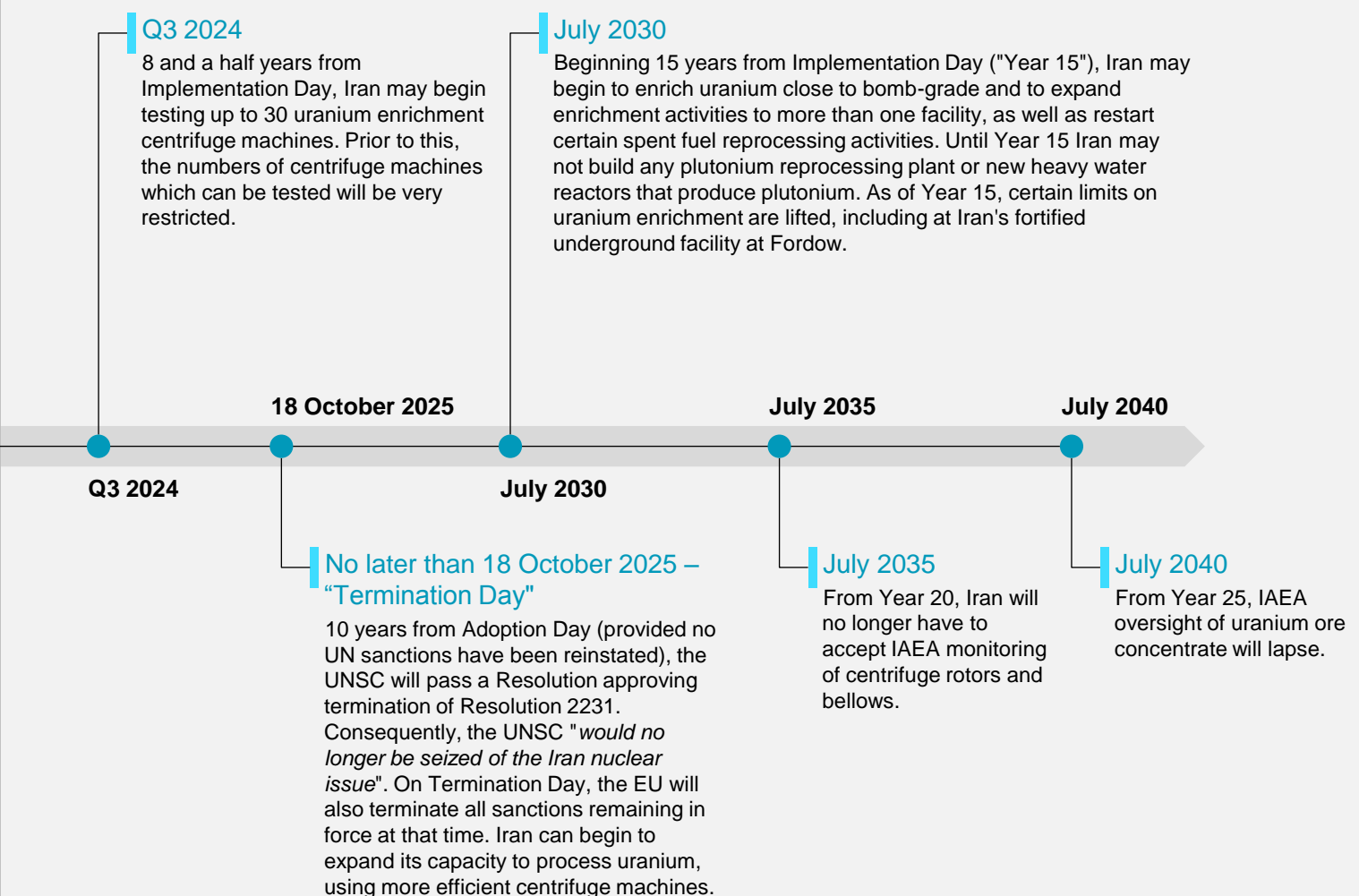
Key Points:

Limited Relief: The JCPOA does not provide any immediate sanctions relief under either EU or US sanctions regimes. Rather, no lifting of sanctions will occur until "Implementation Day," which is not expected to occur until at least early 2016. Until then, the full range of currently applicable EU and US sanctions will continue to apply. Moreover, both before and after Implementation Day, primary US sanctions applicable to Iran-related transactions of "US persons" or through the United States will remain in place and will continue to present significant enforcement risks. Investors therefore should be cautious when considering any potential business opportunities involving Iran and should ensure that proper compliance and risk management processes are in place before initiating any exploratory activities.

Snap-Back: The JCPOA contains provisions which aim to ensure that existing sanctions will "snap back" into place should Iran not comply with its obligations. If a complaint is escalated via the dispute resolution process to the UNSC, a new resolution will be required to continue with the JCPOA programme. If no agreement is reached on a new resolution within 30 days, the previous sanctions will automatically "snap back" into place. In practice, given the possibility for deadlock at the UNSC level, snap-back may be inevitable should a complaint get this far.

In summary

- No immediate sanctions relief
- US Primary Sanctions to remain in place until at least 2023
- Caution required by international businesses



From the time the JCPOA was announced, companies around the world have looked ahead to the opportunities that will emerge as international sanctions against Iran are lifted.

We set out below a high-level overview of the phased lifting of US and EU nuclear-related sanctions commencing on “Implementation Day” (the date upon which the IAEA verifies that Iran has complied with the nuclear-related commitments that are to be satisfied before the first stage of sanctions relaxation under the JCPOA is given effect). It is widely understood, based on statements by relevant officials, that Implementation Day will not occur before the first half of 2016.

US Sanctions - Limited Relief	To be lifted on Implementation Day?
US extra-territorial (or "secondary") sanctions that expose non-US persons to US designation risk if they engage in nuclear-related sanctionable activity (as defined under various US Executive Orders associated with Iranian nuclear proliferation)	Yes
US primary sanctions that prohibit trade and commerce between US persons and Iran as well as trade involving the US financial system or US-origin goods	<p>No – However, OFAC will license certain activities by US persons.</p> <p>These will include aircraft and aircraft parts exports, certain activities of non-US subsidiaries of US companies and US imports of Iranian carpets and foodstuffs.</p> <p>OFAC will also remove from the list of Specially Designated Nationals (SDNs) a number of persons, entities and vessels in order to facilitate their involvement in (a) non-US business of non-US persons and (b) certain OFAC-licensed activities under the sanctions applicable to US person/US financial system dealings.</p>

EU Sanctions - Sanctions Relief by Sector	To be lifted on Implementation Day?
<p>Finance, Banking and Insurance</p> <ul style="list-style-type: none"> ■ Prohibition on transfers of funds to/from Iranian banks (and the requirement to obtain authorisations and make notifications for such transfers and other transfers to Iran) ■ Restriction on EU banks opening new accounts, offices or establishing certain business relationships with Iranian banks (and vice-versa) ■ Prohibition on specialised financial messaging services (including SWIFT) to listed banks and other listed persons ■ Prohibition on the provision of insurance and reinsurance ■ Restrictions in relation to Iranian government bonds 	<p>Yes – Although note that while many banks will be delisted on Implementation Day, some banks will continue to be listed. The prohibition on providing SWIFT services to those banks that will continue to be listed will remain in place until Transition Day.</p>

Continued overleaf

Sector	To be lifted on Implementation Day?
Oil, Gas, and Petrochemicals <ul style="list-style-type: none"> ■ Prohibitions relating to the import/transport, purchases of Iranian crude oil or petroleum products, Iranian natural gas, Iranian petrochemical products ■ Prohibitions against sales, supplies, exports of equipment and technology associated with those industries ■ Prohibitions against provision of certain financial services relating to those industries, including loans, loans/credits to, or new/ extended participation in / JVs with, Iranian persons engaged in those industries 	Yes <i>The prohibitions in relation to petrochemical products and transport of Iranian crude oil and on providing insurance / re-insurance related to the import / transport of Iranian crude oil are already suspended until 14 January 2016 under the Joint Plan of Action (entered into on 24 November 2013).</i>
Shipping, Shipbuilding and Transport <ul style="list-style-type: none"> ■ Prohibitions against export of certain naval equipment and technology and services in respect of Iranian oil tankers and cargo vessels ■ Supplying vessels designed for transporting or storing oil / petrochemical products to Iranian persons - <i>suspended until 14 January 2016 under the Joint Plan of Action (entered into on 24 November 2013)</i> 	Yes Certain measures, including required declarations and prohibitions in relation to prohibited or restricted goods, will remain in force until Transition Day .
Gold, Precious Metals, Bank Notes and Coinage <ul style="list-style-type: none"> ■ Prohibition against sales, supplies, exports or transport of gold / precious metals / diamonds (and related services) ■ Restrictions relating to new currency deliveries 	Yes <i>The prohibitions in relation to gold and precious metals are already suspended until 14 January 2016 under the Joint Plan of Action (entered into on 24 November 2013).</i>
Other Metals <ul style="list-style-type: none"> ■ Prohibition against sales, supplies, exports or transport of specified graphite and raw and semifinished metals to Iranian persons or for use in Iran (and related services) 	Yes – although the scope of the proposed lifting is not clear. These provisions will be amended to allow for "activities consistent with the JCPOA." This may mean that exports to the Islamic Revolutionary Guard Corps and related to military use remain in force until Transition Day .
Software <ul style="list-style-type: none"> ■ Prohibition against the sale of certain software for integrating industrial processes to Iranian persons or for use in Iran 	Yes – although the scope of the proposed lifting is not clear. These provisions will be amended to allow for "activities consistent with the JCPOA." This may mean that exports to the Islamic Revolutionary Guard Corps and related to military use remain in force until Transition Day .
Arms and Related Materials <ul style="list-style-type: none"> ■ Export to Iranian persons or for use in Iran of goods and technology on the EU Common Military List (and related services) ■ Import from Iran of goods and technology on the EU Common Military List 	No – restrictions will remain until Transition Day, however authorisations for certain activities will be available.
Dual Use and other controlled Goods <ul style="list-style-type: none"> ■ Import/export of dual use items and other listed nuclear-related items to Iranian persons or for use in Iran 	Yes – but licences will still be required for exports and will be refused in certain circumstances.
Asset Freezes <ul style="list-style-type: none"> ■ Requirement to freeze funds of listed persons and prohibition against making funds available to them 	Yes – some entities and individuals will be delisted. These include: <ul style="list-style-type: none"> ■ certain banks (including the Central Bank of Iran); and ■ persons, entities and bodies related to the oil, gas and petrochemical sectors or shipping, shipbuilding and transport sectors. Certain other persons will remain listed (and therefore subject to the asset freeze) until Transition Day .



Rae Lindsay
Partner, London
T: +44 20 7006 8622
E: rae.lindsay
@cliffordchance.com



Martin Saunders
Partner, London
T: +44 20 7006 8630
E: martin.saunders
@cliffordchance.com



Jessica Gladstone
Partner, London
T: +44 20 7006 5953
E: jessica.gladstone
@cliffordchance.com



Michael Lyons
Senior Associate, London
T: +44 20 7006 4317
E: michael.lyons
@cliffordchance.com



Martin Power
Senior Associate, London
T: +44 20 7006 8745
E: martin.power
@cliffordchance.com



Heiner Hugger
Partner, Frankfurt
T: +49 697199 1283
E: heiner.hugger
@cliffordchance.com



George Kleinfeld
Partner, Washington
T: +1 202912 5126
E: george.kleinfeld
@cliffordchance.com



David DiBari
Partner, Washington
T: +1 202912 5098
E: david.dibari
@cliffordchance.com



Wendy Wysong
Partner, Hong Kong
T: +852 2826 3460
E: wendy.wysong
@cliffordchance.com



Victoria Bortkevicha
Managing Partner, Moscow
T: +7 495725 6406
E: victoria.bortkevicha
@cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2015

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Abu Dhabi ■ Amsterdam ■ Bangkok ■ Barcelona ■ Beijing ■ Brussels ■ Bucharest ■ Casablanca ■ Doha ■ Dubai ■ Düsseldorf ■ Frankfurt ■ Hong Kong ■ Istanbul ■ Jakarta* ■ Kyiv ■ London ■ Luxembourg ■ Madrid ■ Milan ■ Moscow ■ Munich ■ New York ■ Paris ■ Perth ■ Prague ■ Riyadh ■ Rome ■ São Paulo ■ Seoul ■ Shanghai ■ Singapore ■ Sydney ■ Tokyo ■ Warsaw ■ Washington, D.C.

*Linda Widyati & Partners in association with Clifford Chance.