



Exports and Reexports to Iran

Overview

Iran is under a comprehensive U.S. embargo and has been designated by the Secretary of State to be a supporter of international terrorism. The Department of the Treasury's Office of Foreign Assets Control (OFAC) has licensing responsibility for proposed exports and certain reexports to Iran. The Department of Commerce's Bureau of Industry and Security (BIS) provides commodity classification determinations to OFAC for license applications that it processes and to exporters who use the determinations as part of preparing license applications to submit to OFAC.

BIS has licensing jurisdiction for the reexport of items subject to the Export Administration Regulations (EAR) that are not specifically listed on the Commerce Control List (CCL) (i.e., items classified as EAR99) if the reexport is by a person not subject to OFAC's Iranian Transactions Regulations (31 C.F.R. Part 560). However, BIS does not presently require licenses for such transactions. BIS also has jurisdiction and requires a license for the release of controlled technology or software to a foreign national in the United States. The U.S. Government considers this release to be a "deemed export" to the home country of the foreign national.

Exporters and reexporters are cautioned that, due to recent disclosures regarding Iran's nuclear program, the United States and its partners in the Nuclear Suppliers Group (NSG) have drafted a "Watch List" of items not currently controlled by the NSG. These items do not meet the licensing threshold of the NSG export control regime; however, these items may make a material contribution to nuclear activities of concern. Many of the items on the "Watch List" are already controlled by the United States unilaterally for Anti-Terrorism reasons, so the U.S. Government already requires a license for export or reexport of some of these items to Iran. While the expanded "Watch List" is not intended to be the basis of expanded NSG controls, it has increased the scrutiny of proposed exports of non-regime controlled items, some of which would be classified as EAR99 under the EAR, from NSG member countries to Iran. Additionally, the NSG has included the "Watch List" in its outreach program to heighten awareness and scrutiny of these items to non-NSG members and in particular to transshipment states.

Background

The U.S. Government has maintained comprehensive economic sanctions on Iran since March 16, 1995, as a result of Iran's sponsorship of international terrorism and its pursuit of weapons of mass destruction. Export licensing jurisdiction is predominantly with OFAC. OFAC is the licensing agency for:

- exports;
- transshipments (exports from the United States to a third country through which the items transit or are reexported at a later date, but the exporter knows at the time of export from the United States that the shipment is intended for Iran);

- reexports of U.S.-origin items controlled on the CCL; and
- reexports of U.S.-origin EAR99 items if by a U.S. person as defined in OFAC's Iranian Transactions Regulations.



OFAC authorizes certain exports - - donations of articles like food, clothing, and medicine to relieve human suffering, certain gifts between individuals, and accompanied baggage - - under its regulations. Exporters should consult OFAC's Iranian Transactions Regulations for more information on eligibility under these general license authorizations.

Exporters of agricultural commodities, medicines, and medical devices may be eligible for OFAC's expedited licensing procedures in its AgMed program. OFAC created this program to implement the Trade Sanctions Reform and Export Enhancement Act (TSRA) of 2000, as amended. To be eligible, exporters must first consult with BIS for an official commodity classification, as only agricultural commodities, medicines, and medical devices that are classified as EAR99 are TSRA-eligible.

The U.S. Department of Agriculture has prepared a list of eligible agricultural commodities that BIS has determined are classified as EAR99. This list is available on the BIS webpage. If a proposed agricultural commodity is not on this list, exporters must seek an official commodity classification from BIS. Details on how to do this are available in section 748.3 of the EAR. Once an exporter receives a commodity classification determination from BIS, they must then submit a copy of it to OFAC as part of their TSRA AgMed license application.

In general, medicines are classified as EAR99. However, BIS does control certain vaccines and immunotoxins on the CCL. These items are not eligible for OFAC's TSRA AgMed program. BIS maintains a list of these ineligible medicines on its webpage.

BIS also maintains an illustrative list of TSRA-eligible EAR99 medical supplies on its webpage. If exporters' products are on this list, they do not need a commodity classification from BIS before submitting a license application with OFAC under its TSRA AgMed program. Exporters must obtain an official commodity classification from BIS for any other medical item not listed on the webpage, and must submit a copy of this classification with their OFAC license application.

Exporters should consult with OFAC regarding its licensing policy for TSRA and non-TSRA exports and reexports to Iran.

BIS maintains licensing jurisdiction for reexports of U.S.-origin EAR99 items by persons not subject to OFAC's Iranian Transactions Regulations. BIS does not presently require a license for such transactions, so any such transaction may take place with no license required (NLR). Please note that a reexport license is required, even when one would not otherwise be necessary, if you know, have reason to know, or are otherwise individually informed by the Bureau of Industry and Security (BIS) with respect to a specific transaction that the item will be used in activities related to nuclear, chemical, or biological weapons or missile deliver systems as defined in part 744 of the EAR. The "Know Your Customer" guidance in Supplement 3 to part 732 of the EAR is provided to explain the "knowledge" standard that applies to these license requirements. In addition, prior to any reexport, we recommend that you review the ten prohibitions outlined in part 736 of the EAR as part of your overall review of export requirements.

A reexport license is not required for U.S.-origin controlled items if the U.S.-origin items are incorporated into a foreign product and constitute less than 10 percent of the total value of the foreign made product. However, certain U.S. controlled semiconductors, high speed interconnect devices, and encryption software are not eligible for this *de minimis* treatment. Reexporters should consult part 734.4 of the EAR for more details on *de minimis* eligibility. The *de minimis* percentage for Iran is different than that for the other terrorist designated countries, as the level for these other countries is 10 percent or less, while for Iran it is less than 10 percent.

BIS also has jurisdiction for the "export," or release, of controlled technology or software to a foreign national in the United States. The U.S. Government considers such a transfer as a "deemed export" to the home country of the foreign national. The "deemed export" rule is most often encountered in the employment context, when a company will release controlled technology or software to a foreign national as part of his/her job. This licensing requirement does not apply to persons who are permanent residents in the United States or are "protected individuals" under the Immigration and Naturalization Act. BIS provides no license exceptions in the EAR for exports or reexports to Iran.

If you have specific inquiries regarding exports and most reexports to Iran, please contact OFAC licensing division at 202-622-2480 or consult the OFAC webpage. For inquiries regarding "deemed exports," please contact the BIS Export Counseling Division at 202-482-4811 or submit a query from the BIS webpage.

Prepared August 2003

**All Export Commodities: FAS Value by FAS Value
For Iran**

U.S. Total Exports

Annual + Year-To-Date Data from Jan - May

HTS Number	2001	2002	2002 YTD	2003 YTD
	<i>In Actual Dollars</i>			
2402200000 CIGARETTES CONTAINING TOBACCO	0	13,210,139	0	13,041,732
1005902030 YELLOW DENT CORN (MAIZE), U. S. NO. 2, EXCEPT SEED	0	6,268,496	6,268,496	0
3002100190 OTHER BLOOD FRACTIONS NOT ELSEWHERE SPECIFIED OR INCLUDED	0	1,434,000	0	3,133,100
0713402000 LENTILS EXCEPT SEED, DRIED, SHELLLED	782,011	1,358,356	1,358,356	0
1006309010 RICE, SEMI-MILLED OR WHOLLY MILLED, NESOI, LONG GRAIN	0	1,009,611	0	955,347
Subtotal :	782,011	23,280,602	7,626,852	17,130,179
All Other:	7,491,073	3,888,489	1,772,609	32,794,091
Total	8,273,084	27,169,091	9,399,461	49,924,270

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Sources: Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce, the U.S. Treasury, and the U.S. International Trade Commission.



# U.S. Trade Balance with Iran

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## Trade with Iran : 2003

*NOTE: All figures are in millions of U.S. dollars*

| MONTH        | EXPORTS      | IMPORTS      | BALANCE       |
|--------------|--------------|--------------|---------------|
| January      | 4.60         | 15.80        | -11.20        |
| February     | 17.20        | 15.50        | 1.70          |
| March        | 18.30        | 13.00        | 5.30          |
| April        | 4.30         | 11.70        | -7.40         |
| May          | 5.60         | 13.10        | -7.50         |
| <b>TOTAL</b> | <b>49.90</b> | <b>69.20</b> | <b>-19.30</b> |

- *TOTALS may not add due to rounding.*
- *Table reflects only those months for which there was trade.*
- *CONTACT: Data Dissemination Branch, (301)763-2311*
- *SOURCE: U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch, Washington, D.C. 20233*

## Trade with Iran : 2002

*NOTE: All figures are in millions of U.S. dollars*

| MONTH     | EXPORTS | IMPORTS | BALANCE |
|-----------|---------|---------|---------|
| January   | 0.20    | 15.50   | -15.30  |
| February  | 2.30    | 11.30   | -9.00   |
| March     | 6.50    | 13.80   | -7.30   |
| April     | 0.20    | 10.40   | -10.20  |
| May       | 0.20    | 13.90   | -13.70  |
| June      | 1.60    | 11.60   | -10.00  |
| July      | 3.00    | 11.40   | -8.40   |
| August    | 3.40    | 11.70   | -8.30   |
| September | 1.80    | 12.00   | -10.20  |
| October   | 1.90    | 17.10   | -15.20  |
| November  | 3.20    | 11.80   | -8.60   |
| December  | 7.60    | 15.80   | -8.20   |





U.S. Department of the Treasury  
Office of Foreign Assets Control



# IRAN

## What You Need To Know About U.S. Economic Sanctions

### An overview of O.F.A.C. Regulations involving Sanctions against Iran

#### Iranian Transactions Regulations - 31 C.F.R. Part 560

As a result of Iran's support for international terrorism and its aggressive actions against non-belligerent shipping in the Persian Gulf, President Reagan, on October 29, 1987, issued Executive Order 12613 imposing a new import embargo on Iranian-origin goods and services. Section 505 of the International Security and Development Cooperation Act of 1985 ("ISDCA") was utilized as the statutory authority for the embargo which gave rise to the Iranian Transactions Regulations, Title 31 Part 560 of the U.S. Code of Federal Regulations (the "ITR").

Effective March 16, 1995, as a result of Iranian sponsorship of international terrorism and Iran's active pursuit of weapons of mass destruction, President Clinton issued Executive Order 12957 prohibiting U.S. involvement with petroleum development in Iran. On May 6, 1995, he signed Executive Order 12959, pursuant to the International Emergency Economic Powers Act ("IEEPA") as well as the ISDCA, substantially tightening sanctions against Iran.

On August 19, 1997, the President signed Executive Order 13059 clarifying Executive Orders 12957 and 12959 and confirming that virtually all trade and investment activities with Iran by U.S. persons, wherever located, are prohibited.

On March 17, 2000, the Secretary of State announced that sanctions against Iran would be eased to allow U.S. persons to purchase and import carpets and food products such as dried fruits, nuts, and caviar from Iran. This change was implemented through amendments to the ITR at the end of April 2000.

Corporate criminal penalties for violations of the Iranian Transactions Regulations can range up to \$500,000, with individual penalties of up to \$250,000 and 10 years in jail. Civil penalties of up to \$11,000 may also be imposed administratively.

This fact sheet provides general information about the Iranian sanctions program under the Iranian Transactions Regulations, and incorporates sanctions imposed by Executive Orders 12957, 12959, and 13059. The sanctions are administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

■ **IMPORTS FROM IRAN** - Goods or services of Iranian origin may not be imported into the United States, either directly or through third countries, with the following exceptions:

- (a) Gifts valued at \$100 or less;
- (b) Information or informational materials;
- (c) Foodstuffs intended for human consumption that are classified under chapters 2-23 of the Harmonized Tariff Schedule of the United States; and
- (d) Carpets and other textile floor coverings and carpets used as wall hangings that are classified under chapter 57 or heading 9706.00.0060 of the Harmonized Tariff Schedule of the United States.

U.S. persons are prohibited from providing financing for prohibited import transactions. There are restrictions on letter of credit transactions involving the Government of Iran (see **FINANCIAL DEALINGS WITH IRAN, FINANCING PURCHASES FROM IRAN OR ITS GOVERNMENT, and FINANCING IRANIAN-ORIGIN FOODSTUFFS AND CARPETS OTHER THAN PURCHASES FROM IRAN OR ITS GOVERNMENT** below).

■ **EXPORTS TO IRAN** - In general, unless licensed by OFAC, goods, technology (including technical data or other information subject to Export Administration Regulations), or services may not be exported, reexported, sold or supplied, directly or indirectly, from the United States or by a U.S. person, wherever located, to Iran or the Government of Iran. The ban on providing services includes any brokering function from the United States or by U.S. persons, wherever located. For example, a U.S. person, wherever located, or any person acting within the United States, may not broker offshore transactions that benefit Iran or the Government of Iran, including sales of foreign goods or arranging for third-country financing or guarantees.

In general, a person may not export from the U.S. any goods, technology or services, if that person knows or has reason to know such items are intended specifically for supply, transshipment or reexportation to Iran. Further, such exportation is prohibited if the exporter knows or has reason to know the U.S. items are intended specifically for use in the production of, for commingling with, or for incorporation into goods, technology or services to be directly or indirectly supplied, transshipped or reexported exclusively or predominately to Iran or the Government of Iran. A narrow exception is created for the exportation from the United States or by U.S. persons wherever located of low-level goods or technology to third countries for incorporation or substantial transformation into foreign-made end products, provided the U.S. content is insubstantial, as defined in the regulations, and certain other conditions are met.

Donations of articles intended to relieve human suffering (such as food, clothing, and medicine), gifts valued at \$100 or less, licensed exports of agricultural commodities, medicine, and medical devices, and trade in "informational materials" are permitted. "Informational materials" are defined to include publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds, although certain Commerce Department restrictions still apply to some of those materials. To be considered informational material, artworks must be classified under chapter subheadings 9701, 9702, or 9703 of the Harmonized Tariff Schedule of the United States.

Exports to Iran associated with NGO humanitarian missions in Iraq that have been authorized by OFAC are limited to those items intended for temporary use, as personal baggage, by representatives of the authorized NGO, provided that such items are either consumed by representatives of the authorized NGO during the visit or removed from Iran at the end of each visit, and further provided that any such personal items are not controlled under the Department of Commerce's Export Administration Regulations for exportation or re-exportation to Iran or controlled on the United States Munitions List. Nongovernmental organizations must take adequate measures to prevent any items authorized for exportation, re-exportation, or local purchase from being obtained or acquired by the Government of Iran.

With certain exceptions, foreign persons who are not U.S. persons are prohibited from reexporting to Iran sensitive U.S.-origin goods, technology or services to Iran or the Government of Iran. Foreign persons involved in such reexports may be placed on the U.S. Commerce Department's "Export Denial Orders" list.

U.S. persons may not approve, finance, facilitate or guarantee any transaction by a foreign person where that transaction by a foreign person would be prohibited if performed by a U.S. person or from the United States.

■ **DEALING IN IRANIAN-ORIGIN GOODS OR SERVICES** - Except as authorized by amendments to the ITR relating to foodstuffs and carpets, which were issued at the end of April 2000, U.S. persons, including foreign branches of U.S. depository

institutions and trading companies, are prohibited from engaging in any transactions, including purchase, sale, transportation, swap, financing, or brokering transactions related to goods or services of Iranian origin or goods or services owned or controlled by the Government of Iran.

Services provided in the United States by an Iranian national already resident in the United States are not considered services of Iranian origin.

These prohibitions apply to transactions by United States persons in locations outside the United States with respect to goods or services which the United States person knows, or has reason to know, are of Iranian origin or are owned or controlled by the Government of Iran. U.S. persons may not import such goods or services into or export them from foreign locations. A U.S. person may, however, engage in transactions in third countries necessary to sell, dispose of, store, or maintain goods located in a third country which were legally acquired by that U.S. person prior to May 7, 1995 on the condition that the transactions do not result in an importation into the United States of goods of Iranian origin.

■ **FINANCIAL DEALINGS WITH IRAN** - New investments by U.S. persons, including commitments of funds or other assets, loans or any other extensions of credit, in Iran or in property (including entities) owned or controlled by the Government of Iran are prohibited. For your information, Appendix A contains a list of banks owned or controlled by the Government of Iran. While U.S. persons may continue to charge fees and accrue interest on existing Iranian loans, a specific license must be obtained to reschedule or otherwise extend the maturities of existing loans.

Payments for licensed sales of agricultural commodities, medicine and medical devices must reference an appropriate OFAC license and may not involve a debit or credit to an account of a person in Iran or the Government of Iran maintained on the books of a U.S. depository institution. Payments for and financing of such licensed sales may be accomplished by cash in advance, sales on open account (provided the account receivable is not transferred by the person extending the credit), or by third country financial institutions that are neither U.S. persons nor government of Iran entities. Any other arrangements must be specifically authorized by OFAC. U.S. depository institutions may advise and confirm letters of credit issued by third country banks covering licensed sales of agricultural commodities, medicine and medical devices.

Any funds transferred to Iran in connection with OFAC-authorized NGO activities in Iraq may be used only for the purchase of services and goods necessary and essential to the conduct of the assessment mission and, whether U.S. or foreign origin, not of the type controlled under the Department of Commerce's Export Administration Regulations for exportation or re-exportation to Iran or controlled on the United States Munitions List. Such funds transfers must reference their license or registration number.

■ **FINANCING PURCHASES FROM IRAN OR ITS GOVERNMENT** - Payments for authorized imports of foodstuffs and carpets must reference the relevant section of the ITR. While U.S. depository institutions may deal with Iranian banks on a documentary collection basis [JRC 522] for authorized purchases of foodstuffs or carpets, neither payments under collections, nor any other payments, may involve a debit or credit to the account of a person in Iran or the Government of Iran on the books of a U.S. depository institution. U.S. depository institutions may issue letters of credit for purchases provided that the letters of credit are not advised, negotiated, paid, or confirmed by a bank that is included within the definition of the term Government of Iran. A bank that is included in the definition of the term Government of Iran may forward letter of credit documents strictly on a documentary collection basis, either directly to a U.S. depository institution or to a third country bank that is not included within the definition of the term Government of Iran, but cannot send them on an "approval" basis since it cannot be party to a letter of credit.

■ **FINANCING IRANIAN-ORIGIN FOODSTUFFS AND CARPETS OTHER THAN PURCHASES FROM IRAN OR ITS GOVERNMENT** - U.S. depository institutions are authorized to issue, advise, negotiate, pay, or confirm letters of credit to pay for transactions in or related to foodstuffs and carpets as referenced in amendments to the ITR issued at the end of April 2000, other than purchases from Iran or its Government, provided that such letters of credit are not issued, advised, negotiated, paid, or confirmed by a bank that is included within the definition of the term Government of Iran.

■ **"PRE-ZERO CONTRACTS"** - Letters of credit and other financing arrangements with respect to trade contracts in force as of May 6, 1995, may be performed pursuant to their terms provided that the underlying trade transaction was completed prior to June 6, 1995 (February 2, 1996 for "agricultural commodities"), or as specifically licensed by OFAC. Standby letters of credit that serve as performance guarantees for services to be rendered after June 6, 1995, cannot be renewed and payment may not be made after that date without authorization by OFAC.

■ **OTHER BANKING SERVICES** - U.S. depository institutions, including foreign branches, are prohibited from servicing accounts of the Government of Iran, including banks owned or controlled by the Government of Iran (as in Appendix A) or persons in Iran. However, they are authorized to pay interest, deduct reasonable

and customary service charges, process transfers related to exempt transactions, such as the exportation of information or informational material, a travel-related remittance, or a payment for the shipment of a donation of articles to relieve human suffering or, at the request of an account holder, effect a lump sum closure of an account by payment to its owner. They may not otherwise directly credit or debit Iranian accounts.

U.S. depository institutions may handle "U-turn" transactions—cover payments involving Iran that are by order of a third country bank for payment to another third country bank—provided they do not directly credit or debit an Iranian account. They are also permitted to handle non-commercial family remittances involving Iran and non-commercial remittances involving humanitarian relief (such as for the victims of the earthquake in Khorasan), provided the transfers are routed to or from non-U.S., non-Iranian offshore banks.

U.S. depository institutions initiating or receiving payment orders involving Iran on behalf of customers must determine prior to processing such payments that they do not involve transactions prohibited by the Iranian Transactions Regulations.

■ **TRAVEL** - All transactions ordinarily incident to travel to or from Iran, including the importation of accompanied baggage for strictly personal use, payment of maintenance and living expenses and acquisition of goods or services for personal use are permitted.

■ **NGO ACTIVITIES IN IRAN** - Nongovernmental organizations licensed or otherwise authorized by OFAC to conduct certain humanitarian activities in and around Iraq are authorized to conduct activities in Iran directly incidental and essential to their authorized humanitarian activities in and around Iraq, but only to the extent necessary to support such authorized activities in Iraq; this does not authorize the actual provision of humanitarian support in Iran.

■ **OVERFLIGHTS PAYMENTS** - Payments to Iran for services rendered by the Government of Iran in connection with the overflight of Iran or emergency landing in Iran of aircraft owned by United States persons or registered in the U.S. are authorized.

■ **PERSONAL COMMUNICATIONS, INFORMATION AND INFORMATIONAL MATERIALS** - The receipt or transmission of postal, telegraphic, telephonic or other personal communications, which does not involve the transfer of anything of value, between the United States and Iran is authorized. The exportation from the United States to Iran of information and informational materials, whether commercial or otherwise, regardless of format or medium of transmission, and any transaction incident to such exportation is authorized.

■ **TRANSACTIONS INVOLVING U.S. AFFILIATES** - No U.S. person may approve or facilitate the entry into or performance of transactions or contracts with Iran by a foreign subsidiary of a U.S. firm that the U.S. person is precluded from performing directly. Similarly, no U.S. person may facilitate such transactions by unaffiliated foreign persons.

■ **IRANIAN PETROLEUM INDUSTRY** - U.S. persons may not trade in Iranian oil or petroleum products refined in Iran, nor may they finance such trading. Similarly, U.S. persons may not perform services, including financing services, or supply goods or technology, that would benefit the Iranian oil industry.

## APPENDIX A - BANKS OWNED OR CONTROLLED BY THE GOVERNMENT OF IRAN

AGRICULTURAL COOPERATIVE BANK OF IRAN (a.k.a. BANK TAAVON KESHAVARZI IRAN), No. 129 Patrice Lumumba Street, Jaleh-Al-Ahmad Expressway, P.O. Box 14155/6395, Tehran, Iran

AGRICULTURAL DEVELOPMENT BANK OF IRAN (a.k.a. BANK JOSIAYI KESHAVARZI), Farahzad Expressway, Tehran, Iran

BANK JOSIAYI KESHAVARZI (a.k.a. AGRICULTURAL DEVELOPMENT BANK OF IRAN), Farahzad Expressway, Tehran, Iran

BANK MARKAZI JOMHOURI ISLAMI IRAN (a.k.a. THE CENTRAL BANK OF IRAN), Ferdowsi Avenue, P.O. Box 11365-8551, Tehran, Iran

BANK MASKAN (a.k.a. HOUSING BANK (of Iran)), Ferdowsi St., Tehran, Iran

BANK MELLAT, Park Shahr, Varzesh Avenue, P.O. Box 11365/5964, Tehran, Iran, and all offices worldwide, including, but not limited to:

▶ BANK MELLAT (Branch), Ziya Gokalp Bulvari No. 12, Kizilay, Ankara, Turkey

▶ BANK MELLAT (Branch), Binbir Cicek Sokak, Buyukdere Caddesi, P.O. Box 67, Levant, Istanbul, Turkey

▶ BANK MELLAT (Branch), 48 Gresham Street, London EC2V 7AX, England

BANK MELLI, P.O. Box 11365-171, Ferdowsi Avenue, Tehran, Iran, and all offices worldwide, including, but not limited to:

▶ BANK MELLI (Branch), 4 Moorgate, London EC2R 6AL, England

▶ BANK MELLI (Branch), Schadowplatz 12, 4000 Duesseldorf 1, Germany

▶ BANK MELLI (Branch), Friedenstrasse 4, P.O. Box 160 154, 8000 Frankfurt am Main, Germany

▶ BANK MELLI (Branch), P.O. Box 112129, Holzbruecke 2, 2000 Hamburg 11, Germany

▶ BANK MELLI (Branch), Odeonsplatz 18, 8000 Munich 22, Germany

▶ BANK MELLI (Branch), 43 Avenue Montaigne, 75008 Paris, France



- ▶ BANK MELLI (Branch), 601 Gloucester Tower, The Landmark, 11 Pedder Street, P.O. Box 720, Hong Kong
- ▶ BANK MELLI (Representative Office), 333 New Tokyo Building, 3-1 Marunouchi, 3-chome, Chiyoda-ku, Tokyo, Japan
- ▶ BANK MELLI (Representative Office), 818 Wilshire Boulevard, Los Angeles, California 90017, U.S.A
- ▶ BANK MELLI (Representative Office), 767 Fifth Avenue, 44th Floor, New York, New York 10153, U.S.A
- ▶ BANK MELLI (Representative Office), Smolensky Boulevard 22/14, Kv. S., Moscow, Russia
- ▶ BANK MELLI (Branch), Flat No. 1, First Floor, 8 Al Sed El-Aaly, Dokki, P.O. Box 2654, Cairo, Egypt
- ▶ BANK MELLI (Branch), Ben Yas Street, P.O. Box No. 1894, Riga Deira, Dubai, U.A.E
- ▶ BANK MELLI (Branch), P.O. Box 2656, Shaikha Maryam Building, Liwa Street, Abu Dhabi, U.A.E
- ▶ BANK MELLI (Branch), B.P.O. Box 1888, Clock Tower, Industrial Road, Al-Ain Club Building in from Emetel Al Ain, Al Ain, Abu Dhabi, U.A.E
- ▶ BANK MELLI (Branch), P.O. Box 1894, Riga, Ben Yas Street, Deira, Dubai, U.A.E
- ▶ BANK MELLI (Branch), Mohd-Habib Building, Al-Fahidi Street, P.O. Box 3093, Bur Dubai, Dubai, U.A.E.
- ▶ BANK MELLI (Branch), P.O. Box 248, Fujairah, U.A.E
- ▶ BANK MELLI (Branch), Sarni Sagar Building Oman Street Al-Nakheel, P.O. Box 5270, Ras-Al Khaimah, U.A.E
- ▶ BANK MELLI (Branch), P.O. Box 459, Al Bory Street, Sharjah, U.A.E.
- ▶ BANK MELLI (Branch), P.O. Box 785, Government Road, Shaikh Mubarak Building, Manama, Bahrain
- ▶ BANK MELLI (Branch), P.O. Box 23309, Shaikh Salman Street, Road No. 1129, Muharraq 211, Bahrain
- ▶ BANK MELLI (Branch), P.O. Box 5643, Mossa Abdul Rehman Hassan Building, 238 Al Burj St., Ruwi, Muscat, Oman

BANK OF INDUSTRY AND MINE (of Iran) (a.k.a. BANK SANAT VA MADAN), Hafez Avenue, P.O. Box 11365/4978, Tehran, Iran

BANK REFAH KARGARAN (a.k.a. WORKERS WELFARE BANK (of Iran)), Mofattah No. 125, P.O. Box 15815 1866, Tehran, Iran

BANK SADERAT IRAN, Bank Saderat Tower, P.O. Box 15745-631, Somayeh Street, Tehran, Iran, and all offices worldwide, including, but not limited to:

- ▶ BANK SADERAT IRAN (Branch), Hamdam Street, Airport Road Intersection, P.O. Box 700, Abu Dhabi, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Al-Am Road, P.O. Box 1140, Al Ein, Abu Dhabi, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Liwara Street, P.O. Box 16, Ajman, U.A.E
- ▶ BANK SADERAT IRAN (Branch), 3rd Floor Dom Dasaf Building, Mejjoka Street 7A, Ashkhabad, Turkmenistan
- ▶ BANK SADERAT IRAN (Branch), 25-29 Panepistimiou Street, P.O. Box 4308, GR-10210, Athens 10672, Greece
- ▶ BANK SADERAT IRAN (Branch), Imam Ali Street, Sahat Yaghi, Ras Elain-Alektisad Building 2nd Floor, Baalbeck, Lebanon
- ▶ BANK SADERAT IRAN (Branch and Offshore Banking Unit), 106 Government Road, P.O. Box 825, Manama Town 316, Bahrain
- ▶ BANK SADERAT IRAN (Branch), Hamra Pavillion Street, Savvagh and Daaboul Building 1st Floor, P.O. Box 113-6717, Beirut, Lebanon
- ▶ BANK SADERAT IRAN (Branch), Alghobairi Boulevard, Beirut, Lebanon
- ▶ BANK SADERAT IRAN (Branch), 28 Sherif Street, P.O. Box 462, Cairo, Egypt
- ▶ BANK SADERAT IRAN (Branch), Old Ben-Ghanem Street (next to God Market), P.O. Box 2256, Doha, Qatar
- ▶ BANK SADERAT IRAN (Branch), Almakoutoum Road, P.O. Box 4182, Deira, Dubai, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Bazar Murshid, P.O. Box 4182, Deira, Dubai, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Alfahid Road, P.O. Box 4182, Bur Dubai, Dubai, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Sherea Shekikh Zayad Street, P.O. Box 55, Fujairah, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Wilhelm Leuschner Strasse 41, P.O. Box 160151, W-6000 Frankfurt am Main, Germany
- ▶ BANK SADERAT IRAN (Branch), P.O. Box 112227, Hopfenhof Passage, Kleiner Bustah 6-10, W-2000 Hamburg 11, Germany
- ▶ BANK SADERAT IRAN (Branch), Lothbury, London EC2R 7HD, England
- ▶ BANK SADERAT IRAN (Representative Office), 707 Wilshire Boulevard, Suite 4880, Los Angeles, California 90017, U.S.A
- ▶ BANK SADERAT IRAN (Representative Office), 55 East 59th Street, 16th Floor, New York, New York 10022, U.S.A
- ▶ BANK SADERAT IRAN (Branch), P.O. Box 4269, Mutrah, Muscat, Oman
- ▶ BANK SADERAT IRAN (Branch), 18 rue de la Paix, Paris 2eme, 75002 Paris, France
- ▶ BANK SADERAT IRAN (Branch), Alaroba Road, P.O. Box 316, Sharjah, U.A.E

BANK SANAT VA MADAN (a.k.a. BANK OF INDUSTRY AND MINE (of Iran)), Hafez Avenue, P.O. Box 11365/4978, Tehran, Iran

BANK SEPAH, Emam Khomeini Square, P.O. Box 11364, Tehran, Iran, and all offices worldwide, including, but not limited to:

- ▶ BANK SEPAH (Branch), Muenchener Strasse 49, P.O. Box 10 03 47, W-6000 Frankfurt am Main 1, Germany
- ▶ BANK SEPAH (Branch), 5/7 Eastcheap, EC3M 1JT London, England
- ▶ BANK SEPAH (Representative Office), 850 Fifth Avenue, New York, New York 10019, U.S.A
- ▶ BANK SEPAH (Branch), 17 Place Vendome, 75001 Paris, France.
- ▶ BANK SEPAH (Branch), Via Barberini 50, 00187 Rome, Italy
- ▶ BANK SEPAH (Representative Office), Ufficio di Rappresentanza Za, Via Ugo Foscolo 1, 20121 Milan, Italy

BANK TAAVON KESHAVARZI IRAN (a.k.a. AGRICULTURAL COOPERATIVE BANK OF IRAN) No. 129 Patrioc Lumumba Street, Jalel-Al-Ahmed Expressway, P.O. Box 14155/6395, Tehran, Iran

BANK TEJARAT, 130 Taleghani Avenue, Nejatollahie, P.O. Box 11365-5416, Tehran, Iran, and all offices worldwide, including, but not limited to:

- ▶ BANK TEJARAT (Branch), 6/8 Clements Lane, London EC4N 7AP, England
- ▶ BANK TEJARAT (Branch), 44 Avenue des Champs Elysees, 75008 Paris, France

DEUTSCH-IRANISCHE HANDELSBANK AG (n.k.a. EUROPÄISCH-IRANISCHE HANDELSBANK AG) Depenau 2, W-2000 Hamburg 1, Germany, and all offices worldwide, including, but not limited to:

- ▶ DEUTSCH-IRANISCHE HANDELSBANK AG (n.k.a. EUROPÄISCH-IRANISCHE HANDELSBANK AG) (Representative Office), 23 Argentine Square, Behaghi Bulvard, P.O. Box 15815/1787, Tehran 15148, Iran

EUROPÄISCH-IRANISCHE HANDELSBANK AG (f.k.a. DEUTSCH-IRANISCHE HANDELSBANK AG) Depenau 2, W-2000 Hamburg 1, Germany, and all offices worldwide, including, but not limited to:

- ▶ EUROPÄISCH-IRANISCHE HANDELSBANK AG (f.k.a. DEUTSCH-IRANISCHE HANDELSBANK AG) (Representative Office), 23 Argentine Square, Behaghi Bulvard, P.O. Box 15815/1787, Tehran 15148, Iran

HOUSING BANK (of Iran) (a.k.a. BANK MASKAN), Ferdowsi St., Tehran, Iran

IRAN OVERSEAS INVESTMENT BANK LIMITED (f.k.a. IRAN OVERSEAS INVESTMENT CORPORATION LIMITED), 120 Moorgate, London EC2M 6TS, England, and all offices worldwide, including, but not limited to:

- ▶ IRAN OVERSEAS INVESTMENT BANK LIMITED (Representative Office), 1137 Avenue Vall Asr off Park-e-SAL, P.O. Box 15115/531, Tehran, Iran
- ▶ IRAN OVERSEAS INVESTMENT BANK LIMITED (Agency), Suite 3c Olympia House, 61/63 Dame Street, Dublin 2, Ireland
- ▶ IRAN OVERSEAS INVESTMENT BANK LIMITED (Agency), improgetti, Via Germanico 24, 00192 Rome, Italy
- ▶ IRAN OVERSEAS TRADING COMPANY LIMITED (Subsidiary), 120 Moorgate, London EC2M 6TS, England
- ▶ IRAN OVERSEAS INVESTMENT CORPORATION LIMITED (n.k.a. IRAN OVERSEAS INVESTMENT BANK LIMITED), 120 Moorgate, London EC2M 6TS, England

THE CENTRAL BANK OF IRAN (a.k.a. BANK MARKAZI JOMHOURI ISLAMI IRAN), Ferdowsi Avenue, P.O. Box 11365-8551, Tehran, Iran

WORKERS WELFARE BANK (of Iran) (a.k.a. BANK REFAH KARGARAN), Mofattah No. 125, P.O. Box 15815 1866, Tehran, Iran

## Iranian Assets Control Regulations - 31 C.F.R Part 535

Separate Iranian sanctions regulations appear at 31 C.F.R. Part 535. On November 14, 1979, the assets of the Government of Iran in the United States were blocked in accordance with IEEPA following the seizure of the American Embassy in Teheran and the taking of U.S. diplomats as hostages. Under the Iranian Assets Control Regulations (Title 31 Part 535 of the U.S. Code of Federal Regulations), some US\$12 billion in Iranian Government bank deposits, gold, and other properties were frozen, including \$5.6 billion in deposits and securities held by overseas branches of U.S. banks. The assets freeze was eventually expanded to a full trade embargo, which remained in effect until the Algiers Accords were signed with Iran on January 19, 1981. Pursuant to the Accords, most Iranian assets in the United States were unblocked and the trade embargo was lifted. The U.S. Government also canceled any attachments that U.S. parties had secured against Iranian assets in the United States, so that the assets could be returned to Iran or transferred to escrow accounts in third countries pursuant to the Accords. This action was upheld by the Supreme Court in 1981 in *Dames & Moore v. Regan*. Although greatly modified in scope, the old Iranian Assets Control Regulations remain in effect. Many U.S. nationals have claims against Iran or Iranian entities for products shipped or services rendered before the onset of the 1979 embargo or for losses sustained in Iran due to expropriation during that time. These claims are still being litigated in the Iran-United States Claims Tribunal at The Hague established under the Algiers Accords. Certain assets related to these claims remain blocked in the United States and consist mainly of military and dual-use property.

- continued on Page 4 -

**LICENSE APPLICATION GUIDELINES FOR EXPORTS TO IRAN, LIBYA AND SUDAN OF AGRICULTURAL COMMODITIES, MEDICINE,  
AND MEDICAL DEVICES**

**Ag/Med Program**

The following information is intended to serve as guidance to persons applying for licenses authorizing Ag/Med exports to Iran, Libya, and Sudan pursuant to, respectively, the Iranian Transactions Regulations, 31 C.F.R. Part 560, the Libyan Sanctions Regulations, 31 C.F.R. Part 550, and the Sudanese Sanctions Regulations, 31 C.F.R. Part 538. **Applicants are encouraged to consult the regulations for a complete statement of the rules applicable to Ag/Med exports.**

Applications not containing all of the required information will be considered incomplete and returned without action and without prejudice. A new application will be accepted upon resubmission of a **complete** application.

To apply for a license to export agricultural commodities, medicine, or medical devices to Iran, Libya, or Sudan under the Ag/Med Program, applicants must submit a license request, in writing, to the Office of Foreign Assets Control (OFAC). The following items must be included in clear and legible form:

- Identification of the country and program for which the applicant is requesting a license on the top of the first page of the application and on the front of the envelope. (Example: **Iran – Ag/Med Program**). If the applicant wishes to submit applications for two or more countries, **a separate application** must be submitted for each country;
- Applicant's full legal name (If the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business);
- Applicant's mailing and street address;
- Name of the individual(s) responsible for the application and related commercial transactions, including the individual's/individuals' telephone number, fax number, and if available, email address so that we may reach a responsible point of contact should there be any questions about the application;
- Applicant's signature;
- Names and addresses of all parties involved in the transactions and their roles, including financial institutions, and any Iranian, Libyan, or Sudanese broker, purchasing agent, end-user, or other participant in the purchase of the agricultural commodities, medicine, or medical devices;
- A description of all products to be exported, including a statement that the product(s) is/are classified as EAR99, and documentation and information sufficient to verify that the product(s) to be exported are classified as EAR99 and are eligible for exportation under the Ag/Med program. This would typically include the name of the product(s), a short description of the product(s) in layperson's terms (for medical devices, also include technical specifications), the intended use of the agricultural commodities, medicine, or medical devices, and a statement explaining how the product(s) to be exported qualifies/qualify as an agricultural commodity, medicine, or medical device as those terms are defined in the regulations.
- Exporters must have a commodity classification of EAR99 for all products that are eligible in this Ag/Med program. Exporters of all fertilizers, live horses, and western red cedar must submit to OFAC a copy of an Official BXA Commodity Classification of EAR99 as part of the license application (because certain of these items are controlled on the Commerce Control List and thus are not eligible for this program). Exporters of medical devices also must provide OFAC with an Official BXA Commodity Classification of EAR99, unless the proposed export is for a medical supply and that medical supply is specifically listed as eligible for export under the Ag/Med program on BXA's website at <http://www.bxa.doc.gov/Regulations/TradeSanctionsReformExportEnhancementAct.html>. BXA will also provide a list of medicines on its website that are not eligible for export under the Ag/Med program. Exporters of agricultural commodities may wish to consult the following USDA website: [www.fas.usda.gov](http://www.fas.usda.gov) for a list of agricultural commodities that qualify for export under the Ag/Med program.
- **Please note:** Payment by cash in advance, open account financing, or third-country bank letter of credit is authorized by general license. A special request will have to be made to use a letter of credit issued by an Iranian, Libyan, or Sudanese bank. Upon such a request, payment by letter of credit issued by an Iranian, Libyan, or Sudanese bank may be authorized by specific license on a case-by-case basis, provided that such letter of credit may not be advised, confirmed or otherwise dealt in by any financial institution that is a United States person (see, 31 C.F.R. §§ 560.314, 560.532; 31 C.F.R. §§ 550.308, 550.571; 31 C.F.R. §§ 538.315, 538.525).

The application should be mailed to the address below.

**Attn: Licensing Division  
Office of Foreign Assets Control  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220**

In order to expedite the process, applicants may also send a complete copy of their application in Adobe Acrobat PDF format to the following email address:

[agmed@do.treas.gov](mailto:agmed@do.treas.gov)

Applicants who choose to send a copy of their application via Internet **must** also send a hard copy of their application in order for OFAC to process their application. Applicants should note that the official date of receipt for their application will be the date the hard copy of the application is received by OFAC via mail.

The hard copy of all licenses will be mailed to applicants. Upon request, applicants may receive via email a copy of their license in Adobe Acrobat PDF format.

This document is explanatory only and does not have the force of law. The Executive Orders and implementing regulations dealing with Iran contain the legally binding provisions governing the sanctions. This document does not supplement or modify those Executive Orders or regulations.

The Treasury Department's Office of Foreign Assets Control also administers sanctions programs involving Libya, Iraq, the Western Balkans, North Korea, Cuba, the National Union for the Total Independence of Angola (UNITA), Syria, Sudan, Burma (Myanmar), certain targets in Serbia and Montenegro, the Taliban, Sierra Leone, Liberia, Zimbabwe, highly enriched uranium transactions, designated Terrorists and international Narcotics Traffickers, Foreign Terrorist Organizations, and designated foreign persons who have engaged in activities related to the proliferation of weapons of mass destruction. For additional information about these programs or about the Iranian sanctions programs, please contact the:

**OFFICE OF FOREIGN ASSETS CONTROL**  
U.S. Department of the Treasury  
Washington, D.C. 20220  
202/622-2520  
<http://www.treas.gov/ofac>

03-12-2003

OFFICE OF FOREIGN ASSETS CONTROL

IRANIAN TRANSACTIONS REGULATIONS  
(31 C.F.R. PART 560)

GUIDANCE ON SPONSORSHIP OF CERTAIN CONFERENCES

**SUMMARY**

- Except as otherwise authorized by general or specific licenses, the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), prohibit sponsorship by U.S. persons (as defined in ITR § 560.314) of conferences, or events at conferences, organized or co-organized by the Government of Iran (as defined in ITR §§ 560.304 and 560.313) or persons in Iran.
- In the case of two conferences on the Iranian oil and gas industry - one held in a third country and one held in Tehran - co-organized by an entity of the Government of Iran and third-country nationals, it was determined to be contrary to current U.S. foreign policy to authorize a U.S. oil company to be a corporate sponsor of the conferences or events at the conferences, and a license request, accordingly, was denied.

**FACTUAL CONTEXT**

This guidance was developed in response to several inquiries received by the Office of Foreign Assets Control ("OFAC") on the applicability of the ITR to sponsorship by United States persons of conferences organized or co-organized by the Government of Iran or persons in Iran. Specifically, OFAC received requests for guidance as to whether, in the absence of a license from OFAC, the ITR prohibit corporate sponsorship by U.S. oil companies of:

1. A conference in Tehran on issues pertaining to the Iranian petroleum industry that was to be jointly organized by third-country nationals and an entity of the Government of Iran; or

2. A major event at a conference on the Iranian oil, gas and petrochemical industries, where the conference was being held in a third country (i.e., outside Iran and the United States) and was to be jointly organized by a third-country national and an entity of the Government of Iran.

#### **GUIDANCE**

Executive Order 13059 of August 19, 1997 (the "Order") and the ITR prohibit any sponsorship by U.S. persons of conferences that are organized or co-organized by an entity of the Government of Iran or a person in Iran. Moreover, even if a U.S. person is not an official conference sponsor or co-sponsor, the U.S. person's sponsorship of a major event at such a conference is prohibited.

United States persons, wherever located, are prohibited from providing services to persons in Iran or the Government of Iran or where the benefit of such services is otherwise received in Iran. Order, § 1; ITR, §§ 560.204, 560.410. The ITR specify that the benefit of services performed anywhere in the world on behalf of the Government of Iran is presumed to be received in Iran. ITR, § 560.410(b). The Order and ITR also prohibit U.S. persons, wherever located, from engaging in any transaction or dealing in or related to services for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran. Order, § 2(d); ITR, § 560.206. In addition, no U.S. person, wherever located, may finance or facilitate any transaction by a foreign person that would be prohibited if performed by a U.S. person or within the United States. Order, § 2(e); ITR, § 560.208.

In the case of the two factual patterns described earlier, corporate sponsorship by a U.S. oil company falls within the scope of the abovementioned ITR prohibitions. The activities in which the companies sought to engage would involve a U.S. oil company's financing of conferences, or of activities at conferences, jointly organized by an entity of the Government of Iran and attended by Iranian government representatives. This alone constitutes the provision of services to Iran or the Government of Iran.<sup>1</sup> Moreover, while representatives of U.S. oil companies who participate in these conferences may be under instructions to observe the constraints of the ITR (including

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<sup>1</sup> The conclusion would be the same if these conferences were organized or co-organized by a private entity in Iran instead of by an Iranian government entity.

the limitation of the exemption in ITR § 560.210(c) to information and informational materials fully created and in existence at the date of the transactions), participants who are not U.S. persons are under no such constraints; and to the extent that such non-U.S. participants provide consulting or other business services to Iran, the U.S. oil companies would be facilitating such transactions by their financial sponsorship of the conferences in question. In addition, sponsorship of a conference taking place in Tehran would entail transactions or dealings in or related to goods or services of Iranian origin or owned or controlled by the Government of Iran, in violation of ITR § 560.206(a)(1).

Insofar as it describes transactions prohibited by the ITR in the absence of a specific license, this guidance applies not only to conferences on the Iranian oil and gas industry, but also to any conferences organized or co-organized by the Government of Iran or a person in Iran. With regard solely to the two conferences on the Iranian oil and gas industry described above, it is inconsistent with current U.S. foreign policy for OFAC to authorize a U.S. oil company to be a corporate sponsor of the conferences or of individual events at the conferences. Accordingly, under current policy, a request for a specific license authorizing such transactions would be denied.

08/18/2000



## OFFICE OF FOREIGN ASSETS CONTROL LICENSING DIVISION

### LICENSE APPLICATION GUIDELINES FOR EXPORTS TO IRAN, LIBYA AND SUDAN OF AGRICULTURAL COMMODITIES, MEDICINE, AND MEDICAL DEVICES

#### Ag/Med Program

The following information is intended to serve as guidance to persons applying for licenses authorizing Ag/Med exports to Iran, Libya, and Sudan pursuant to, respectively, the Iranian Transactions Regulations, 31 C.F.R. Part 560, the Libyan Sanctions Regulations, 31 C.F.R. Part 550, and the Sudanese Sanctions Regulations, 31 C.F.R. Part 538. Applicants are encouraged to consult the regulations for a complete statement of the rules applicable to Ag/Med exports.

Applications not containing all of the required information will be considered incomplete and returned without action and without prejudice. A new application will be accepted upon resubmission of a **complete** application.

To apply for a license to export agricultural commodities, medicine, or medical devices to Iran, Libya, or Sudan under the Ag/Med Program, applicants must submit a license request, in writing, to the Office of Foreign Assets Control (OFAC). The following items must be included in clear and legible form:

- Identification of the country and program for which the applicant is requesting a license on the top of the first page of the application and on the front of the envelope . (Example: **Iran – Ag/Med Program**). If the applicant wishes to submit applications for two or more countries, **a separate application** must be submitted for each country;
- Applicant's full legal name (If the applicant is a business entity, the state or jurisdiction of incorporation and principal place of business);
- Applicant's mailing and street address;
- Name of the individual(s) responsible for the application and related commercial transactions, including the individual's/individuals' telephone number, fax number, and if available, email address so that we may reach a responsible point of contact should there be any questions about the application;
- Applicant's signature;
- Names and addresses of all parties involved in the transactions and their roles, including financial institutions, and any Iranian, Libyan, or Sudanese broker, purchasing agent, end-user, or other participant in the purchase of the agricultural commodities, medicine, or medical devices;

- A description of all products to be exported, including a statement that the product(s) is/are classified as EAR99, and documentation and information sufficient to verify that the product(s) to be exported are classified as EAR99 and are eligible for exportation under the Ag/Med program. This would typically include the name of the product(s), a short description of the product(s) in layperson's terms (for medical devices, also include technical specifications), the intended use of the agricultural commodities, medicine, or medical devices, and a statement explaining how the product(s) to be exported qualifies/qualify as an agricultural commodity, medicine, or medical device as those terms are defined in the regulations.
- Exporters must have a commodity classification of EAR99 for all products that are eligible in this Ag/Med program. Exporters of all fertilizers, live horses, and western red cedar must submit to OFAC a copy of an Official BXA Commodity Classification of EAR99 as part of the license application (because certain of these items are controlled on the Commerce Control List and thus are not eligible for this program). Exporters of medical devices also must provide OFAC with an Official BXA Commodity Classification of EAR99, unless the proposed export is for a medical supply and that medical supply is specifically listed as eligible for export under the Ag/Med program on BXA's website at <http://www.bxa.doc.gov/Regulations/TradeSanctionsReformExportEnhancementAct.html> BXA will also provide a list of medicines on its website that are **not** eligible for export under the Ag/Med program. Exporters of agricultural commodities may wish to consult the following USDA website: [www.fas.usda.gov](http://www.fas.usda.gov) for a list of agricultural commodities that qualify for export under the Ag/Med program.
- **Please note:** Payment by cash in advance, open account financing, or third-country bank letter of credit is authorized by general license. A special request will have to be made to use a letter of credit issued by an Iranian, Libyan, or Sudanese bank. Upon such a request, payment by letter of credit issued by an Iranian, Libyan, or Sudanese bank may be authorized by specific license on a case-by-case basis, provided that such letter of credit may not be advised, confirmed or otherwise dealt in by any financial institution that is a United States person (see, 31 C.F.R. §§ 560.314, 560.532; 31 C.F.R. §§ 550.308, 550.571; 31 C.F.R. §§ 538.315, 538.525).

The application should be mailed to the address below.

**Attn: Licensing Division  
Office of Foreign Assets Control  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220**

In order to expedite the process, applicants may also send a complete copy of their application in Adobe Acrobat PDF format to the following email address:

[agmed@do.treas.gov](mailto:agmed@do.treas.gov)

Applicants who choose to send a copy of their application via Internet **must** also send a hard copy of their application in order for OFAC to process their application. Applicants should note that the official date of receipt for their application will be the date the hard copy of the application is received by OFAC via mail.

The hard copy of all licenses will be mailed to applicants. Upon request, applicants may receive via email a copy of their license in Adobe Acrobat PDF format.

OFFICE OF FOREIGN ASSETS CONTROL

IRANIAN TRANSACTIONS REGULATIONS

31 C.F.R PART 560

GUIDANCE ON TRANSSHIPMENTS TO IRAN

SUMMARY

- Except as otherwise authorized, the Iranian Transactions Regulations, 31 C.F.R. Part 560, broadly prohibit the exportation, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran.
- The prohibitions include exportation to a person in a third country undertaken with knowledge or reason to know, that such goods, technology, or services are intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran or the Government of Iran.

FACTUAL CONTEXT

A U.S. company engaged in the manufacture and sale of equipment contacted OFAC after learning that one of its non-U.S. person distributors in a third country had sold a small quantity of its products to Iran. The products were supplied from the distributor's general inventory and were not purchased from the U.S. manufacturer for the specific purpose of filling an Iranian order. The seller holds a minority interest in the foreign parent of its distributor and is knowledgeable about the general nature of the distributor's business activities. There was a concern that similar sales might occur in the future and the company contacted OFAC for guidance.

GUIDANCE

The Treasury Department's Office of Foreign Assets Control ("OFAC") is charged with the enforcement of various economic sanctions programs, including the U.S. economic embargo against the Government of Iran as promulgated in the Iranian Transactions Regulations, 31 CFR Part 560 (the "Regulations"), under the authority of the International Emergency Economic Powers Act, 50 U.S.C. 1701 et seq. ("IEEPA").



Section 560.204 of the Regulations broadly prohibits the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran.

It is important to note that the prohibited sales to Iran through a non-U.S. person in a third country are not limited to those situations where the seller has explicit knowledge that the goods were specifically intended for Iran, but includes those situations where the seller had reason to know that the goods were specifically intended for Iran, including when the third party deals exclusively or predominately with Iran or the Government of Iran.

"Reason to know" that the seller's goods are intended for Iran can be established through a variety of circumstantial evidence, such as: course of dealing, general knowledge of the industry or customer preferences, working relationships between the parties, or other criteria far too numerous to enumerate. Minority ownership by the seller in the third party distributor may also be relevant to the seller's knowledge of the goods intended destination, but is not controlling.

A violation involving indirect sales to Iran may be based upon the actual knowledge of the U.S. supplier at the time of its sale, or upon determination that the U.S. supplier had reason to know at the time of sale that the goods were specifically intended for Iran. OFAC would consider all the relevant facts and circumstances in order to determine the actual or imputed knowledge on the part of the U.S. supplier.

Date 07/22/2002

Ref: 020722-IR-01

**OFFICE OF FOREIGN ASSETS CONTROL**  
**IRANIAN TRANSACTIONS REGULATIONS**  
**(31 C.F.R. PART 560)**

**GUIDANCE ON INFORMATIONAL MATERIALS**

***SUMMARY***

- Except as otherwise authorized by general or specific license, the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), prohibit the exportation, directly or indirectly, from the United States or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran.
- The importation from any country and the exportation to any country of information and informational materials are exempt from the ITR. ITR § 560.210(c) defines the term information and informational materials to include publications, films, posters, phonographs, microfilms, microfiche, tapes, compact disks, CD ROMS, artworks, and wire feeds.

***FACTUAL CONTENT***

This guidance was developed in response to several inquiries received by the Office of Foreign Assets Control ("OFAC"), on the applicability of the ITR to the provision of access to certain electronic databases in connection with the export of informational materials to Iran. Specifically, OFAC received requests for guidance as to whether, in the absence of a license from OFAC, the ITR prohibit:

1. The provision of access to electronic databases that incorporate a search function to persons in Iran by a publisher of indexes to publicly available journal articles in a variety of academic fields. The indexes provide citations as well as brief summaries of journal articles and other publicly available research material. The database provides subscribers with

online Internet access to the material available in the publisher's print indexes, as well as to publicly available indexes published by third parties. In connection with the exportation of the information included within the online database to Iran, the publisher enables its users to perform searches of its database, involving the submission by subscribers of searching terms to the database for identification of the most relevant articles in the database.

2. The shipment of standard release films in video tape format by a U.S. person to the U.S. person's agent in a third country for onward distribution in Iran. Acting on the instructions of an Iranian distributor, the third country agent would make cuts to the films to conform with Iranian requirements pertaining to offensive language, graphic scenes of violence, nudity and sexually explicit material. Master videos of each film edited in such manner would be shipped by the third country agent to Iran, where the Iranian distributor would dub them in Farsi and duplicate them for distribution in Iran. Under the arrangement the third country agent would be entitled to keep a percentage of all royalties collected.

#### ***GUIDANCE***

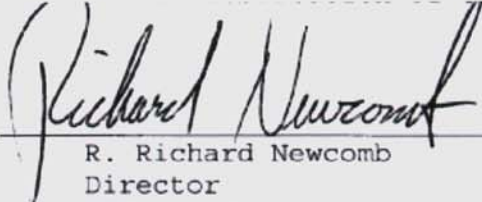
The ITR information and informational materials exemption does not encompass transactions related to materials not fully created and in existence at the date of the transactions, any substantive or artistic alteration or enhancement of informational materials, or the provision of marketing and business consulting services.

With regard to a U.S. person's provision of access to a database, the inclusion of an electric search function that does no more than search and sort the exempt information in the database is also exempt from the prohibitions of the ITR. This guidance is limited to enabling access in Iran to the database itself. This guidance does not address any additional product that may be offered in connection with the use of the database; nor does it apply to technical support, customer support, or any other services that might be provided.

With regard to transactions in connection with a U.S. person's exportation of films to Iran, the U.S. person may

enter into contractual arrangements to engage a third country agent to export pre-existing films to Iran, as well as advertising materials related to the films on behalf of the U.S. person. The U.S. person may also be authorized on a case-by-case basis to engage in transactions with the agent for the provision of services necessary to conform the films to Iranian standards, provided that such services only involve edits of a minor nature in order to conform with local standards, such as cutting or excising existing material.

The participation by a U.S. person in a transaction involving the dubbing or subtitling of films in Iran or at the direction of an Iranian entity is covered by the exemption since such activities are incidental to the distribution of the films in a country in which the language is not that in which the films were made, provided that the dubbing and subtitling entail no substantive or artistic alterations or enhancements. In like manner, the participation by a U.S. person in a transaction involving the duplication of the films by an Iranian entity in Iran is exempt as incidental to the distribution of the material in Iran.

 2/3/03  
R. Richard Newcomb  
Director  
Office of Foreign Assets Control

**FAC No.**

[ text deleted ] Esquire  
[ text deleted ]  
[ text deleted ]  
Washington, DC [ text deleted ]

Dear Mr. [ text deleted ]:

This responds to your letters of [ text deleted ] on behalf of [ text deleted ] requesting that the Office of Foreign Assets Control ("OFAC") reconsider the interpretation stated in our [ text deleted ] letter to the firm of [ text deleted ], *i.e.*, that the proposed export of [ text deleted ] from the United States to [ text deleted ] for reexport to Iran would be prohibited by § 560.204 of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), and that the proposed transactions do not meet the general license criteria set forth in ITR § 560.511. In the alternative, you request a specific license authorizing the transactions described in your letters. According to your [ text deleted ] letter, the [ text deleted ] would be exported from the United States to [ text deleted ] for reexport to Iran, where the [ text deleted ] would be connected to [ text deleted ] machines manufactured by [ text deleted ], an [ text deleted ] company under contract with [ text deleted ] Iranian companies to construct [ text deleted ] in Iran. You state in your [ text deleted ] letter that the value of the [ text deleted ] represents [ text deleted ] of the cost of the [ text deleted ].

As stated in our [ text deleted ] letter, ITR § 560.511 provides, by general license, an "insubstantial United States content" exception to the prohibitions in § 560.204, in cases where all of the conditions set forth therein are met. Section 560.511 applies to the exportation or supply of goods or technology from the United States or by U.S. persons, wherever located, for substantial transformation or incorporation into a foreign-made end product in a country other than the United States or Iran. You assert that the proposed transactions meet the criteria for the general license set forth in ITR § 560.511 because the [ text deleted ] will be incorporated into a foreign-made end product and their contribution is *de minimis*.

First, with respect to whether the U.S.-origin content of the [ text deleted ] meets the *de minimis* requirements, it does appear from the statements made in your [ text deleted ] letter and attached affidavit from [ text deleted ] that the value of the [ text deleted ] relative to the value of the [ text deleted ] machines may be less than 10%. You state, however, that your understanding is that the [ text deleted ] are the only U.S.-origin component in the [ text deleted ]. The proper application of ITR § 560.511 requires more than a party's understanding with respect to the existence of other U.S.-origin components in a complex product. Section 560.511(a)(2)(iv) requires that in cases involving a complex product made of a combination of goods (including software) and technology, the aggregate value of all U.S.-origin goods (including software) and technology contained in the foreign-made end product is less than 10% of the total value of the

foreign-made product. Furthermore, the contractual price for the [ text deleted ] is quoted as including [ text deleted ]. No value of the foreign-made end product alone is provided. Therefore, we are unable to determine whether the value test is in fact met in this case. In any event, as discussed below, satisfaction of the *de minimis* requirement would not be dispositive of whether the transaction is licensed under § 560.511.

Second, you contend that the [ text deleted ] are 'incorporated' into the [ text deleted ] machines. You support this contention by claiming that the [ text deleted ], including the [ text deleted ], are single, integrated machines as imported into Iran, notwithstanding that each machine cannot be shipped in a single conveyance. You further state that the U.S. Commerce Department, Bureau of Industry and Security ("BIS"), in their [ text deleted ] letter submitted with your application, reached the same conclusion on incorporation with respect to the proposed transaction; that a rule proposed by the U.S. Customs Service ("Customs") to treat multiple shipments of certain merchandise as a single entry is "instructive" with respect to the issue of incorporation; and that the Harmonized Tariff Schedule of the United States classifies an [ text deleted ] as a discrete piece of equipment.

We disagree with your contention that BIS concluded in their [ text deleted ] letter that the [ text deleted ] are incorporated into the [ text deleted ]. In that letter, BIS presumes that the U.S.-origin item in question is incorporated into a product manufactured in a third country and subsequently exported to Iran in applying the Export Administration Regulations ("EAR") *de minimis* rule to the reexport transaction. No guidance is given as to what constitutes "incorporated" for purposes of determining whether the reexport is subject to the EAR. With respect to the proposed Customs rule, OFAC operates under different statutes from the Customs Service (and BIS), and the meaning of "incorporation" for Customs' (and BIS's) purposes may differ from that applied to export or reexport transactions subject to OFAC jurisdiction. The same principle applies to an item's tariff classification.

We have evaluated the information you have provided and have concluded that the interconnectedness of the [ text deleted ] to the [ text deleted ] would not constitute the degree of assembly or manipulation of the U.S.-origin good required to fit within the incorporation standard of § 560.511, even if the [ text deleted ] were to be fully assembled in [ text deleted ] before being reexported to Iran.

In sum, for the reasons stated herein and in our letter of [ text deleted ], we hereby confirm our conclusion that the [ text deleted ] are not incorporated into the [ text deleted ] for purposes of the § 560.511 general license, and it would be contrary to current U.S. Government policy to issue a specific license authorizing the proposed transactions. Accordingly, your license request is hereby denied.

Sincerely,



R. Richard Newcomb  
Director  
Office of Foreign Assets Control

IRAN - PROHIBITED EXPORT OF SERVICES - SURVEYS & INTERVIEWS

Dear :

This is with regard to your letter of June 28, 2002 to the Treasury Department's Office of Foreign Assets Control ("OFAC") on behalf of [U.S. person]. In your letter you requested a specific license authorizing U.S. person to engage [text deleted], a U.S. subcontractor, to conduct surveys and in-depth interviews with persons in Iran.

Section 560.204 of the Iranian Transactions Regulations, 31 C.F.R. Part 560, prohibits, *inter alia*, the direct or indirect exportation of U.S.-origin goods, services, or technology to Iran or the Government of Iran. The proposed conduct of surveys and interviews in Iran constitutes a prohibited export of services to Iran. As it would be contrary to current U.S. Government policy to issue a license authorizing such an export of services, your application is hereby denied.

If you have any additional questions about the economic sanctions programs administered by OFAC, you may refer to our web site at [www.treas.gov/ofac](http://www.treas.gov/ofac) or call our office at (202)622-2480.

Sincerely,



R. Richard Newcomb  
Director  
Office of Foreign Assets Control