

NOTICE TO EXPORTERS – 2012/18

New and amended non-proliferation sanctions against Iran – Council Regulation (EU) No 267/2012

TOPIC: Sanctions

AUDIENCE: Companies trading with or investing in Iran

Update to [Notice to Exporters 2012/06](#)

Overview

1. On 23 March 2012 the Council of the European Union adopted a new Regulation implementing restrictive measures on Iran set out in [Council Decision 2010/413/CFSP](#), as amended by [Council Decision 2012/35/CFSP](#) of 23 January 2012, that fall within EU competence.
2. **Council Regulation (EU) No 267/2012 of 23 March 2012 concerning restrictive measures against Iran and repealing Council Regulation (EU) 961/2010** ('the Regulation') was published on 24 March 2012 in the Official Journal of the European Union (OJ L 88, 24.3.2012, p1). For more details, read the full text of the Regulation: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:088:0001:0112:EN:PDF>.
3. At the same time, the Council adopted [Council Decision 2012/169/CFSP](#) amending [Council Decision 2010/413/CFSP](#). This deleted the prohibitions relating to equipment which might be used for internal repression. This measure, and restrictions on the supply of equipment and technology which may be used for the monitoring or interception of internet or telephone communications, and related services, are now included in the separate sanctions imposed against Iran in view of the human rights situation (see [Notice to Exporters 2012/19](#) for further details).
4. If you do business with or in Iran, you should be aware of these sanctions and should ensure that you take steps to comply with the measures.

New sanctions in the context of other measures on Iran

5. The Regulation **came into force with immediate effect on 24 March 2012** (date of its publication in the Official Journal). It repeals and replaces [Council Regulation \(EU\) No 961/2010](#). For details of the measures previously imposed by Regulation 961/2010 see [Notice to Exporters 2010/25](#) and [Notice to Exporters 2012/34](#).
6. As noted above, the EU has also amended the sanctions imposed against Iran in view of the human rights situation. The human rights sanctions now also include prohibitions and restrictions on the sale, supply, transfer or export of goods and technology, and on the provision of related services. Please see [Notice to Exporters 2012/19](#) for further details.

What are the new or amended measures?

7. The Regulation makes a number of amendments to the existing prohibitions and restrictions, and introduces a number of new measures. The key changes are:

- Changes to the prohibitions relating to the sale, supply, transfer or export of dual-use items and of goods and technology (including software) which could contribute to Iran's nuclear and missile-delivery programmes. The items concerned are set out in Annexes I and II. Both Annexes have been amended to include additional items.
- The list of items which could contribute to Iran's nuclear and missile-delivery programmes for which prior authorisation (i.e. an export licence) is required for sale, supply, transfer or export to Iran has been amended and is now Annex III of the Regulation (was Annex IV in Regulation 961/2010). A number of items have been transferred from this Annex to Annex II and approximately 35 additional items have been added to Annex III. These new items are all items which the UK and other Member States have previously made licensable on a case-by-case basis under the end-use controls. Addition of these items to Annex III therefore provides certainty for exporters and ensures a more level-playing field across the EU, as a licence will always be required for export to Iran from any Member State.
- Annex III of Council Regulation 961/2010 has been deleted. Prohibitions on the supply of these items have instead been included in [Council Regulation \(EU\) No 359/2011](#) as amended by [Council Regulation \(EU\) No 264/2012](#). Regulation 359/2011 also now includes a prohibition on the sale, supply, transfer or export to Iran of equipment and technology which may be used for the monitoring or interception of internet or telephone communications, as specified in Annex IV to that Regulation; and a prohibition on the provision of related services. (see [Notice to Exporters 2012/19](#))
- An extension of the prohibitions in Article 8 to include the sale, supply or transfer to Iran, or to Iranian or Iranian-owned enterprises outside Iran, of key equipment and technology for the petrochemical industry. The list of equipment and technology covered by this prohibition is defined in Part 3 of Annex VI of the Regulation. The provision of technical assistance or training, and of financing or financial assistance, related to these items is also prohibited (Article 9).
- The exemptions, in Article 10, from the prohibitions in Articles 8 and 9 relating to transactions required by, or obligations arising from, contracts concluded before certain dates have been retained and extended to cover the sale, supply, etc., of key equipment and technology for the petrochemical industry. Such contracts must have been concluded before 27 October 2010 in relation to key equipment and technology for the sectors of the oil and gas industry specified in Article 8(2), and before 23 January 2012 in relation to key equipment and technology for the petrochemical industry. Relevant transactions must be notified to the ECO at least 20 working days in advance. The ECO will be updating the [Oil and Gas Notification form](#) and associated guidance accordingly.

- New prohibitions on the import, purchase or transport from Iran of crude oil and petroleum products, and of petrochemical products, and on the provision of services related to the import etc. These prohibitions are set out in Articles 11 to 14 of the Regulation; the products covered are specified in Annexes IV and V. Further details of these measures are given in the [BIS Import Licensing Branch's Notice to Importers](#) and [HM Treasury's Financial Sanctions Notice issued on 26 March 2012](#).
- New prohibitions on the sale, supply, transfer or export to, and the purchase, import or transfer from, Iran of gold, precious metals and diamonds as specified in Annex VII (Article 15); and on the sale, supply, transfer or export of unissued or newly minted Iranian banknotes and coins to or for the benefit of the Central Bank of Iran (Article 16).
- A prohibition on any new investment in the petrochemical sector in Iran or in Iranian or Iranian-owned enterprises engaged in that industry outside Iran. This includes the granting of financial loans or credit, the acquisition or extension of a participation (such as through the purchase of shares), or the creation of joint ventures (Article 17c).

Note: this is not an exhaustive list of changes to the sanctions regime.

8. There are also additional financial restrictive measures. Further details of the financial sanctions are available from HM Treasury: http://www.hm-treasury.gov.uk/fin_sanctions_index.htm

Impact on issuing of export licences to Iran

9. All export licences are considered on a case by case basis by reference to the Consolidated EU and National Arms Export Licensing Criteria taking account of the prevailing circumstances at the time of the application. In particular, Criterion 1 states that a licence will not be issued if to do so would be inconsistent with the UK's international obligations, including under UN and EU sanctions and embargoes. For details of the Criteria see: <http://www.businesslink.gov.uk/exportcontrol>
10. In line with standard export licensing procedures, ECO will review whether it is necessary to revoke or amend any extant export licences where the proposed export is no longer consistent with the Consolidated Criteria. You should note that pre-published Open General Licences do not provide licensing coverage for exports to Iran.

What ACTION do you need to take as a result?

11. If you are involved with doing business with Iran, then you should take heed of these sanctions measures. In particular you should be prepared for the strong likelihood of increased practical difficulties in obtaining payment from Iranian customers and/or financial support for Iranian transactions.
12. You will need to be careful of your end-users and take steps to make appropriate checks against the designated parties list as detailed in the measures.
13. If you are intending to export to Iran you should keep yourself well informed of developments through the media and other information channels. All future export licence applications will be considered in relation to the terms of the updated EU imposed sanctions and restrictions,

Related information

14. For further information see:

- Details of current arms embargoes are published on the Businesslink site at: <http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.l1=1079717544&r.lc=en&r.l2=1084228483&topicId=1084100244>
- From this page you can navigate through to access a summary of **Current Arms Embargoes and Other Restrictions** and links to individual country pages with current arms embargoes in force.
- Businesslink Guide on “Sanctions on Iran”
<http://www.businesslink.gov.uk/bdotg/action/layer?r.l1=1079717544&r.l2=1084228483&r.s=tl&topicId=1084127310>
- Further information on “Sanctions implemented by the UK” is published on the Foreign and Commonwealth Office (FCO) website:
<http://www.fco.gov.uk/en/about-us/what-we-do/services-we-deliver/export-controls-sanctions/>

Further Details

15. For more information on import measures please see the BIS Import Licensing Branch’s (ILB) webpages at <http://www.bis.gov.uk/policies/trade-policy-unit/importing-into-uk/import-licensing-branch> ILB can be contacted at: enquiries.ilb@bis.gsi.gov.uk
16. For further information on financial restrictions see the HM Treasury’s Asset Freezing Unit’s webpages at: http://www.hm-treasury.gov.uk/fin_sanctions_index.htm

17. For further details of sanctions, contact the Sanctions Team, International Organisations Department, Foreign & Commonwealth Office (FCO) – Tel: 020 7008 3163

18. For further details of strategic export controls please contact:

Export Control Organisation
Department for Business, Innovation and Skills
3rd Floor, 1 Victoria Street
London, SW1H 0ET

Tel: 020 7215 4594

Fax: 020 7215 2635

E-mail: eco.help@bis.gsi.gov.uk

Website: <http://www.bis.gov.uk/exportcontrol> or

<http://www.businesslink.gov.uk/exportcontrol>

SPIRE (Export Licensing Database): <https://www.spire.bis.gov.uk>

This Notice is for information purposes only and has no force in law. Please note that where legal advice is required UK exporters, end users and consignees should make their own arrangements.

If the Notice is relevant to your exports, you are recommended to take appropriate action as necessary. You are also advised to keep a copy of this notice for your compliance records.

Export Control Organisation
27 March 2012
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