

**NOTICE TO EXPORTERS – 2009/22****Iran Sanctions – Frequently Asked Questions****Updating of previous Notices - PU 11a/07 Q&A - July 2007 and Notice to Exporters 2009/09 - 8 May 2009**

This Notice replaces the previous notices on Iran which are now archived. This new notice updates all exporters with additional questions and answers concerning financial sanctions and trading with Bank Mellat and the Islamic Republic of Iran Shipping Lines (IRISL) following a statement issued by HM Treasury on 12 October 2009.

There are no further changes to the previous notice besides the additional questions.

1. What are the export related sanctions on Iran?
2. Where can I find details of these sanctions?
3. Fine, but I am still not sure whether the items I wish to export need a licence. How can I find out?
4. I have never required a licence before. What do I have to do?
5. Are there any entities in Iran that I should be particularly concerned about?
6. Is there a total ban on the supply of listed items to Iran?
7. Is it true that Customs Officers are stopping all shipments to Iran and introducing long delays while checks are done with ECO?
8. Do Customs have the power to stop direct exports from the UK, of items listed in the EC Regulations on Iran, as soon as those Regulations have come into force even if specific UK Iran Orders are not immediately in place?
9. If I am exporting goods to another country and I know they will be re-exported from there to Iran, do I need a licence?
10. The items I am interested in exporting or supplying to Iran are not currently covered by sanctions. Can I be sure that this will remain the case?
11. How can I be sure that the position on Iran won't change again by the time I am ready to export?
12. Where can I get general advice on doing business with Iran?

**Additional Questions:**

13. Are there other Iran sanctions related to goods or technology?
14. I wish to purchase military goods from Iran. Do I still need a licence?
15. How is this implemented in the UK?
16. What is meant by "procurement"?
17. All I am doing is providing the transport to export military goods from Iran. Do I need a licence?

18. Are there any export controls on goods and technology specific to Iran that are not related to Sanctions?
19. If I'm an export company, do I need to check the financial sanctions against Iran? (Added 17 July 2009)
20. My firm intends to use IRISL service. Will this be affected? (Added 12 October 2009)
21. My firm uses Bank Mellat for my banking transactions. Will this be affected? (Added 12 October 2009)

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### **Question 1 - What are the export related sanctions on Iran?**

The sanctions cover items, materials, equipment, goods and technology which could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear delivery systems. Indirect as well as direct export, sale, supply or transfer, are within the scope of the sanctions as are related assistance, training, investment, brokering and financing or financial assistance.

The sanctions also include an arms embargo and related ban on the provision of technical assistance and training for goods and technology on the military list, as well as a ban on related investment, brokering and financing or financial assistance.

### **Question 2 - Where can I find details of these sanctions?**

The measures other than the arms embargo (deriving principally from UNSCR 1737 and Council Common Position 2007/140/CFSP as amended) are set out in Council Regulation (EC) No 423/2007 (relevant amending measures are Council Regulation (EC) No 618/2007; Commission Regulation (EC) No 116/2008; Commission Regulation (EC) No 219/2008 and Council Regulation (EC) No 1110/2008). Licensing and enforcement powers for this EU instrument are contained within the Export Control (Iran) Order 2007 (SI 2007/1526) (as amended by the Export Control (Iran) (Amendment) Order 2007 (SI 2007/2170) and the Export Control (Iran) (Amendment) Order 2008 (SI 2008/3063)).

The arms embargo (details of which are set out in UNSCR 1747 and Council Common Position 2007/140/CFSP as amended) is given effect through the normal licensing process for military goods under the Export Control Order 2008 (SI 2008/3231).

For more information see the [Iran Sanctions](#) page.

### **Question 3 - Fine, but I am still not sure whether the items I wish to export need a licence. How can I find out?**

You can submit a rating request. Find out more about the [Rating Enquiry Service](#).

### **Question 4 - I have never required a licence before. What do I have to do?**

To help you understand the process look at the [Beginners Guide to Export Control](#).

### **Question 5 - Are there any entities in Iran that I should be particularly concerned about?**

We publish a list of organisations of concern in Iran. Inclusion in the Iran list will normally be the result of one or more of the following:

- An export licence has been refused where this entity was named as an end user in the last 3-4 years
- The entity is on a published UN list of sanctioned entities
- There is published information indicating the entity has associations with illicit WMD programmes;

For the whole list see ["Iran List"](#).

This is, however, not an exhaustive list. It is important to note that entities not on the list may be of equal or greater concern but may not meet the criteria above.

### **Question 6 - Is there a total ban on the supply of listed items to Iran?**

In addition to the arms embargo in operation against Iran, for those items listed in Annex II to Council Regulation 423/2007, the Regulation states that a licence must not be issued if the items would contribute to:

- Iran's enrichment-related, reprocessing or heavy water-related activities
- The development of nuclear weapon delivery systems by Iran; or
- The pursuit by Iran of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding.

For those items listed in Annex I or Annex IA to the Regulation there is an export prohibition unless the United Nations Sanctions Committee had determined in advance on a case-by-case basis that the transaction would not contribute to the development of technologies in support of Iran's proliferation sensitive nuclear activities, nor the development of nuclear weapon delivery systems. This includes where such items are for food, agricultural, medical or other humanitarian purposes. There is also a provision that Iran must provide appropriate end-user guarantees and undertake not to use the items in proliferation sensitive nuclear activities or for development of nuclear weapon delivery systems.

### **Question 7 - Is it true that Customs Officers are stopping all shipments to Iran and introducing long delays while checks are done with BERR?**

Following the introduction of United Nations Security Council Resolutions and EU measures, the number of exports being stopped by HMRC increased. The ECO supports HMRC's enforcement of export controls by assessing whether the items stopped by HMRC require an export licence. The advice service provided by the ECO to HMRC takes priority over all other licence applications and enquiries to reflect the impact that delays in this stage of the export process would have on the exporter's business. Clearance of goods stopped at the port is particularly reliant on the information requested by HMRC being provided at the earliest opportunity and this ultimately relies on efficient and effective communication between the exporter and his shipper/freight forwarder/agent.

**Question 8 - Do Customs have the power to stop direct exports from the UK, of items listed in the EC Regulations on Iran, as soon as those Regulations have come into force even if specific UK Iran Orders are not immediately in place?**

Yes. An EC Regulation is directly applicable and therefore any items that require authorisation under the EC Regulation may be seized and prosecutions considered under Customs law from the date the Regulation came into force.

**Question 9 - If I am exporting goods to another country and I know they will be re-exported from there to Iran do I need a licence?**

You might, if they are controlled goods - the Regulation deals with a range of scenarios, not just direct export from the UK. For advice you should contact the ECO.

**Question 10 - The items I am interested in exporting or supplying to Iran are not currently covered by sanctions. Can I be sure that this will remain the case?**

There can be no guarantees. Targeted sanctions will be strengthened if Iran continues to defy UN Security Council Resolutions relating to its nuclear programme. You will need to make your own judgement about political risks in view of your own circumstances. If you are a potential investor in Iran you will need to weigh up carefully the possible implications of committing yourself to long term investment in Iran.

**Question 11 - How can I be sure that the position on Iran won't change again by the time I am ready to export?**

You can't be sure. Please check the website for updates, or, if necessary, seek further rating advice (see Question 3 above).

**Question 12 - Where can I get general advice on doing business with Iran?**

You should contact Karen Neal at UK Trade & Investment: [e-mail: karen.neal@ukti.gsi.gov.uk](mailto:karen.neal@ukti.gsi.gov.uk)

You should note however, that there are NO official services delivered on behalf of UK Trade & Investment in the market to help British companies who wish to export to or invest in Iran.

**Questions 13 - Are there other Iran sanctions related to goods or technology?**

The UNSCRs and EU measures also include provisions in respect of procurement (including imports into the EU) of goods and technology from Iran.

**Question 14 - I wish to purchase military goods from Iran. Do I still need a licence?**

Yes. The sanctions include a ban on the procurement (including import) of military goods from Iran.

**Question 15 - How is this implemented in the UK?**

The sanctions related to procurement are implemented by a mixture of Council Regulation (EC) No 423/2007 and the Export Control (Iran) Order 2007 (these deal with dual-use goods and technology listed in Annexes I and IA to the Regulation) and

the Iran (United Nations Sanctions) Order 2009 (S.I.2009/886) (this deals with military goods and technology).

#### **Question 16 - What is meant by "procurement"?**

In the context of military goods and technology, the Iran (United Nations Sanctions) Order 2009 defines "procurement" as follows:

"“Procurement” means procurement by whatever means, including but not limited to by purchase, import or transport, and including by using any ship, aircraft or vehicle to which article 4 of this Order applies.”

As to other goods and technology, Article 4 of Council Regulation (EC) No 423/2007 does not refer to "procurement" as such, but does make specific reference to "purchase", "import" and "transport".

#### **Question 17 - All I am doing is providing the transport to export military goods from Iran do I need a licence?**

Yes. The sanctions also apply to the transport of military goods by ship or aircraft registered in the UK or vehicles within the UK, used for carriage of military goods if the carriage is, or forms part of, carriage from Iran to any destination outside Iran.

#### **Question 18 - Are there any export controls on goods and technology specific to Iran that are not related to Sanctions?**

Yes. There are a number of UK national controls on dual-use goods, software and technology listed in Schedule 3 of the Export Control Order 2008 that are specific to Iran.

#### **Question 19 - If I'm an export company, do I need to check the financial sanctions against Iran?**

(Added 17 July 2009)

If your export contract will require financial transactions with an Iranian individual, company or bank, you should check HM Treasury's guidance on the financial sanctions in force in the UK against Iran. Guidance can be found here - [http://www.hm-treasury.gov.uk/fin\\_sanctions\\_iran.htm](http://www.hm-treasury.gov.uk/fin_sanctions_iran.htm). You may also wish to check what your bank's policy is on conducting transactions with Iran before you enter into your contract, in order to check that they will be willing to receive payments on your behalf.

#### **Further details of financial sanctions concerning Bank Mellat and the Islamic Republic of Iran Shipping Lines (IRISL)**

HM Treasury issued a direction on Monday 12 October 2009 to the UK financial sector to cease all business relationships and transactions with Bank Mellat and Islamic Republic of Iran Shipping Lines (IRISL). HM Treasury has provided information at [http://www.hm-treasury.gov.uk/fin\\_crime\\_policy.htm](http://www.hm-treasury.gov.uk/fin_crime_policy.htm) which you should review if you believe your firm will be affected by this direction.

If you are unsure about whether the direction will impact your firm, the question and answers below should be of assistance.

**Question 20 - My firm intends to use IRISL services. Will this be affected?**

(Added 12 October 2009)

This will only be affected if you are intending to make a payment to or receive a payment from IRISL using a UK bank account. UK financial institutions are no longer permitted to engage in transactions or business relationships with either IRISL or Bank Mellat without a licence from HM Treasury. If you intend to transfer monies between your firm and either IRISL or Mellat using a UK bank, you will need to apply for a licence. Until the licence is granted, transactions will not be permitted to proceed.

**Question 21 - My firm uses Bank Mellat for my banking transactions, will this be affected?**

(Added 12 October 2009)

This will be affected if you are intending to provide funds to, or receive funds from, Mellat (or one of its foreign branches) using a UK bank account. Banks in the UK will not be able to accept or make payment from or to Mellat without a HM Treasury granted licence. If you have requested your bank in the UK undertake transactions with Mellat, you should apply for a HM Treasury licence at [http://www.hm-treasury.gov.uk/d/fin\\_crime\\_licence\\_app.pdf](http://www.hm-treasury.gov.uk/d/fin_crime_licence_app.pdf). Until the licence is granted, transactions will not be permitted to proceed.

For further details of strategic export controls please contact the ECO:

ECO Helpline  
Department for Business, Innovation and Skills  
3rd Floor  
1 Victoria Street  
London  
SW1H 0ET

Tel: 020 7215 4594

Fax: 020 7215 3830

E-mail: [eco.help@bis.gsi.gov.uk](mailto:eco.help@bis.gsi.gov.uk)

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

*This notice is for information purposes only and has no force in law. Please note that where legal advice is required exporters should make their own arrangements.*

Export Control Organisation

12 October 2009

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