



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 Iran's nuclear program activities, the United States and its partners in the Nuclear Suppliers Group (NSG) 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 a basis for 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.

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 delivery 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, encryption software, and Commercial Standby Instrument Systems (CSIS) when the CSIS integrates QRS11-00100-100/101 micro-machined angular rates sensors and aircraft that incorporate a CSIS integrating such a sensor 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.

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ATTACHMENTS

- 2003-2004 U.S. Total Exports to Iran, by 10-digit Harmonized Tariff Schedule Number
- 2002-2004 Monthly U.S. Trade with Iran, by Value, Imports, Exports, Trade Balance
- Overview of Treasury Department Office of Foreign Assets Control (OFAC) Regulations Involving Sanctions Against Iran
- OFAC Guidance on Sponsorship of Certain Conferences
- OFAC License Application Guidelines for Exports to Iran and Sudan of Agricultural Commodities, Medicine, and Medical Devices
- OFAC Guidance on Transshipments to Iran (020722-IR-01, dated July 22, 2002)
- OFAC Guidance on Exchange of Informational Material with Iranian Author (031014-FACRL-IA-10, dated September 26, 2003)
- OFAC Guidance on Publication and Distribution of Works in Iran (030915-FACRL-IA-09, dated September 15, 2003)
- OFAC Guidance on Substantive Enhancement of Information in Iran (030708-FACRL-IA-08, undated)
- OFAC Guidance on the Provision of Internet Connectivity Services (030606-FACRL-IA-07, dated June 3, 2003)
- OFAC Guidance on Exports/Aircraft Safety for Iran (030509-FACRL-IA-06, dated May 9, 2003)
- OFAC Guidance on No License Requirement for Exports of Equipment to be Used to Manufacture or Test Goods Destined for Iran (030509-FACRL-IA-05, dated May 9, 2003)
- OFAC Guidance on Internet Access to Informational Materials for Iran (030430-FACRL-IA-04, dated April 20, 2003)
- OFAC Guidance on Prohibited Export of Services - Surveys and Interviews (030424-FACRL-IA-03, undated)

- OFAC Guidance on De Minimis U.S. Content for Iran (030331-FACRL-IA-02, dated March 31, 2003)
- OFAC Guidance Concerning Informational Materials (030203-FACRL-IA-01, dated February 3, 2003)
- OFAC Guidance on Iran Travel Exemption (031125-FACRL-IA-12, dated November 25, 2003)
- OFAC Guidance on Payment of Court Fees, Iran (031211-FACRL-IA-13, dated December 11, 2003)
- OFAC Guidance on Posting of Information from Iran on Website (031211-FACRL-IA-14, dated December 11, 2003)
- OFAC Guidance for Professional Membership Association, Iran (031103-FACRL-IA-15, dated November 3, 2003)

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

U.S. Total Exports

Annual Data

HTS Number	2003	2004	Percent Change 2003 - 2004
	<i>In Actual Dollars</i>		
2402200000 CIGARETTES CONTAINING TOBACCO	33,504,795	41,189,152	22.9%
4703210040 CHEMICAL WOODPULP, SULFATE OR SODA, OTHER THAN DISSOLVING GRADE, CONIFEROUS, BLEACHED (AIR DRY WEIGHT)	5,583,034	15,098,051	170.4%
1005902030 YELLOW DENT CORN (MAIZE), U. S. NO. 2, EXCEPT SEED	0	6,962,358	N/A
3002100190 OTHER BLOOD FRACTIONS NOT ELSEWHERE SPECIFIED OR INCLUDED	8,416,053	5,897,455	-29.9%
9802200000 MEDICINAL & PHARMACEUTICAL PRODUCTS DONATED FOR RELIEF OR CHARITY BY INDIVIDUALS OR PRIVATE AGENCIES	278,500	2,458,308	782.7%
3002100130 HUMAN IMMUNE BLOOD SERA	0	2,251,580	N/A
0511100000 BOVINE SEMEN	1,162,555	1,784,655	53.5%
9018195500 PATIENT MONITORING SYSTEMS	358,710	1,138,091	217.3%
8405100000 PRODUCER GAS, WATER GAS, ACETYLENE GAS AND SIMILAR WATER PROCESS GAS GENERATORS, WITH OR WITHOUT THEIR PURIFIERS	0	1,044,500	N/A
9018390030	0	788,039	N/A

BOUGIES, CATHETERS, DRAINS AND SONDES AND PARTS AND ACCESSORIES			
9018130000 MAGNETIC RESONANCE IMAGING APPARATUS	0	695,052	N/A
3002300000 VACCINES FOR VETRINARY MEDICINE	614,000	575,643	-6.2%
9018906000 ELECTRO-SURGICAL INSTRUMENTS AND APPLIANCES AND PARTS AND ACCESSORIES	767,992	513,655	-33.1%
0105110020 CHICKENS, LIVE, BREEDING STOCK, WHETHER OR NOT PUREBRED, WEIGHING NOT OVER 185 G EACH, BROILER-TYPE (MEAT-TYPE)	440,000	440,000	0.0%
9022140000 APPARATUS BASED ON THE USE OF X-RAYS FOR MEDICAL, SURGICAL, OR VETERINARY USES, INCLUDING RADIOGRAPHY OR RADIOTHERAPY APPARATUS, NESOI	70,000	365,575	422.3%
9018908000 OTHER INSTRUMENTS AND APPLIANCES USED IN MEDICAL, SURGICAL, DENTAL OR VETERINARY SCIENCES, NESOI	235,286	332,828	41.5%
9018199550 ELECTRO-DIAGNOSTIC APPARATUS, NESOI	861,794	248,141	-71.2%
1209914000 ONION SEEDS FOR SOWING	0	243,743	N/A
9019200000 OZONE THERAPY, OXYGEN THERAPY, AEROSOL THERAPY, ARTIFICIAL RESPIRATION OR OTHER THERAPEUTIC RESPIRATION APPARATUS; PARTS AND ACCESSORIES	100,508	236,612	135.4%
3004909140 MEDICAMENTS PRIMARILY AFFECTING THE CENTRAL NERVOUS SYSTEM NESOI, PUT UP IN MEASURED DOSES OR IN FORMS OR PACKINGS FOR RETAIL SALE, NESOI	0	217,325	N/A
2106907090 EDIBLE PREPARATIONS, NOT CANNED OR FROZEN, NOT CONTAINING CANE AND/OR BEET SUGAR, NESOI	0	215,794	N/A
3004505030 MULTIPLE VITAMINS COMBINED WITH MINERALS OR OTHER NUTRIENTS	0	173,630	N/A

9027908950 PARTS AND ACCESSORIES OF INSTRUMENTS & APPARATUS FOR PHYSICAL OR CHEMICAL ANALYSIS, NESOI	0	139,205	N/A
9018110040 ELECTROCARDIOGRAPHS	0	137,533	N/A
9027803200 CHEMICAL ANALYSIS INSTRUMENTS AND APPARATUS, NESOI	0	130,250	N/A
2309901020 POULTRY FEEDS, PREPARED	0	129,700	N/A
5701100000 CARPETS AND OTHER TEXTILE FLOOR COVERINGS, KNOTTED, WHETHER OR NOT MADE UP OF WOOL OR FINE ANIMAL HAIR	0	125,725	N/A
1209994040 WATERMELON SEEDS, FRUIT AND SPORES USED FOR SOWING	4,927	116,826	2,271.1%
9301903000 MILITARY RIFLES	0	106,635	N/A
3003200000 MEDICAMENTS CONTAINING OTHER ANTIBIOTICS (EXCLUDING PENICILLINS AND STREPTOMYCINS	0	96,250	N/A
4821904000 PAPER AND PAPERBOARD LABELS, UNPRINTED, NOT PRESSURE-SENSITIVE	0	92,408	N/A
9018194000 ELECTRO-DIAGNOSTIC APPARATUS FOR FUNCTIONAL EXPLORATORY EXAMINATION, AND PARTS AND ACCESSORIES THEREOF	13,549	82,775	510.9%
9018907080 ELECTRO-MEDICAL INSTRUMENTS AND APPLIANCES AND PARTS AND ACCESSORIES, NESOI	35,490	82,373	132.1%
9018907060 OTHER THERAPEUTIC APPLIANCES AND INSTRUMENTS, EXCEPT ULTRASONIC	0	80,500	N/A
9703000000 ORIGINAL SCULPTURES AND STATUARY, IN ANY MATERIAL	0	75,000	N/A
9802400000 ARTICLES DONATED FOR RELIEF OR CHARITY BY	279,625	73,320	-73.8%

INDIVIDUALS OR PRIVATE AGENCIES, NESOI			
5702200000 FLOOR COVERINGS OF COCONUT FIBERS (COIR), WOVEN, NOT TUFTED OR FLOCKED, WHETHER OR NOT MADE-UP	0	60,000	N/A
3924905500 HOUSEHOLD ARTICLES & TOILET ARTICLES,OF PLASTIC,NESOI	0	55,885	N/A
2309901050 MIXED FEEDS OR MIXED FEED INGREDIENTS USED IN ANIMAL FEEDINGS, NESOI	0	55,350	N/A
8803300010 OTHER PARTS OF AIRPLANES OR HELICOPTERS FOR USE IN CIVIL AIRCRAFT (EXCLUDES PROPELLERS, ROTORS, UNDERCARRIAGES, AND PARTS THEREOF)	0	52,281	N/A
9018390050 CANNULAE AND THE LIKE AND PART AND ACCESSORIES	0	49,553	N/A
9402900010 HOSPITAL FURNITURE	0	48,437	N/A
9018199560 PARTS AND ACCESSORIES FOR ELECTRO- DIAGNOSTIC APPARATUS	20,638	36,775	78.2%
4901990093 PRINTED MATTER NESOI CONTAINING 49 OR MORE PAGES EACH (EXCLUDING COVERS)	61,183	34,981	-42.8%
9404904000 PILLOWS, CUSHIONS, AND SIMILAR FURNISHING	0	31,727	N/A
9403200010 METAL FURNITURE OF A KIND USED IN HOUSEHOLD	0	30,000	N/A
9018903000 ANESTHETIC INSTRUMENTS AND APPLIANCES AND PARTS AND ACCESSORIES	0	29,733	N/A
3004909115 ANTINEOPLASTIC AND IMMUNOSUPPRESSIVE MEDICAMENTS PUT UP IN MEASURED DOSES OR IN FORMS OR PACKINGS FOR RETAIL SALE	0	29,000	N/A
1209918070 TOMATO SEEDS FOR SOWING	0	27,600	N/A
0813408500 FRUIT, DRIED, NESOI, OTHER THAN THAT OF	0	25,031	N/A

HEADINGS 0801 TO 0806			
1209918050 LETTUCE SEEDS FOR SOWING	0	24,236	N/A
2309901030 DAIRY CATTLE FEED, PREPARED	0	21,150	N/A
8703105060 VEHICLES PRINCIPALLY DESIGNED FOR THE TRANSPORT OF PERSONS, EXCEPT ON SNOW AND GOLF CARTS	0	21,000	N/A
2309908500 PREPARATIONS OF A KIND USED IN ANIMAL FEEDING NESOI	0	19,142	N/A
9018500000 OTHER OPHTHALMIC INSTRUMENTS AND APPLIANCES AND PARTS AND ACCESSORIES	0	19,118	N/A
9021214000 ARTIFICIAL TEETH OF PLASTIC AND PARTS AND ACCESSORIES	20,970	18,880	-10.0%
9021310000 ARTIFICIAL JOINTS AND PARTS AND ACCESSORIES THEREOF	0	18,831	N/A
8708998075 PARTS AND ACCESSORIES, FOR MOTOR VEHICLES OF HEADINGS 8701 TO 8705, NESOI	0	14,162	N/A
9009990000 PARTS AND ACCESSORIES OF PHOTOCOPYING AND THERMOCOPYING APPARATUS, NESOI	0	13,952	N/A
3006400000 DENTAL CEMENTS AND OTHER DENTAL FILLINGS; BONE RECONSTRUCTION CEMENTS	21,072	13,000	-38.3%
4101501010 CATTLE HIDES AND SKINS WHOLE, NOT PRETANNED, OF A WEIGHT EXCEEDING 16 KG	0	12,584	N/A
3926909887 ARTICLES OF PLASTICS & ARTICLES OF OTHER MATERIALS OF HEADING 3901 TO 3914, NESOI	4,349	12,000	175.9%
3004505040 MULTIPLE VITAMINS NOT COMBINED WITH MINERALS OR OTHER NUTRIENTS	0	10,737	N/A
9018490000 OTHER INSTRUMENTS AND APPLIANCES, USED IN	10,900	10,020	-8.1%

DENTAL SCIENCES; AND PARTS AND ACCESSORIES, EXCEPT DENTAL DRILL ENGINES, NESOI			
2902440000 MIXED XYLENE ISOMERS	0	10,000	N/A
5701900000 CARPETS AND OTHER TEXTILE FLOOR COVERINGS, KNOTTED, WHETHER OR NOT MADE UP OF OTHER TEXTILE MATERIALS (EXCLUDING WOOL AND FINE ANIMAL HAIR)	0	9,500	N/A
3822000002 DIAGNOSTIC OR LAB REAGENTS ON A BACKING, PREPARED DIAG/LAB REAGENTS WHETHER OR NOT ON A BACKING, NOT OF HEADING 3002 OR 3006; CERTIFIED REF MATERIALS	0	9,300	N/A
9305911000 PARTS AND ACCESSORIES FOR MILITARY RIFLES OF HEADING 9301	0	8,760	N/A
9018310090 PARTS AND ACCESSORIES FOR SYRINGES, WITH OR WITHOUT THEIR NEEDLES	0	8,584	N/A
9202906000 STRING MUSICAL INSTRUMENTS, NESOI	0	8,123	N/A
9401616000 SEATS WITH WOODEN FRAMES, UPHOLSTERED, NESOI	0	8,000	N/A
4902902040 BUSINESS AND PROFESSIONAL JOURNALS AND PERIODICALS, NESOI, INCLUDING SINGLE ISSUES TIED TOGETHER FOR SHIPPING PURPOSES	0	7,542	N/A
9209990000 PARTS AND ACCESSORIES (FOR EXAMPLE CARDS, DISCS AND ROLLS FOR MECHANICAL INSTRUMENTS) OF MUSICAL INSTRUMENTS, NESOI	0	7,000	N/A
0910990000 SPICES, NESOI	0	5,728	N/A
9401693000 CHAIRS, EXCEPT UPHOLSTERED WITH WOODEN FRAMES	0	5,471	N/A
9205901000 WOODWIND INSTRUMENTS, NESOI	0	4,764	N/A
9018110080	0	4,716	N/A

PARTS AND ACCESSORIES FOR ELECTROCARDIOGRAPHS			
1209994075 MELON SEED, NESOI, OF A KIND USED FOR SOWING	0	4,375	N/A
3808400000 DISINFECTANTS	0	3,990	N/A
9603210000 TOOTH BRUSHES	0	3,637	N/A
9405103000 CHANDELIERS AND OTHER ELECTRIC CEILING OR WALL LIGHTING FITTINGS, EXCLUDING THOSE USED FOR LIGHTING PUBLIC OPEN SPACE OR THOROUGHFARES, EXC HOUSEHOLD	0	3,570	N/A
3001900000 HEPARIN AND ITS SALTS; OTHER HUMAN OR ANIMAL SUBSTANCES PREPARED FOR THERAPEUTIC OR PROPHYLACTIC USES, NOT ELSEWHERE SPECIFIED OR INCLUDED	0	3,338	N/A
3506100000 PRODUCTS SUITABLE FOR USE AS GLUES/ADHESIVES, PUT UP FOR RETAIL SALE AS GLUES/ADHESIVES, NOT EXCEEDING A NET WEIGHT OF 1 KG (2.2 LBS)	0	3,165	N/A
0805502000 LEMONS (CITRUS LIMON, CITRUS LIMONUM) FRESH OR DRIED	9,551	0	-100.0%
1005904040 POPCORN, UNPOPPED, EXCEPT SEED	25,370	0	-100.0%
1604140000 TUNAS, SKIPJACK AND ATLANTIC BONITO (SARDA SPP), WHOLE OR IN PIECES, BUT NOT MINCED, PREPARED OR PRESERVED	34,500	0	-100.0%
2106100000 PROTEIN CONCENTRATES AND TEXTURED PROTEIN SUBSTANCES	7,060	0	-100.0%
2850000000 HYDRIDES, NITRIDES, AZIDES, SILICIDES AND BORIDES, WHETHER OR NOT CHEMICALLY DEFINED	31,500	0	-100.0%
3302100000 MIXTURE OF ODORIFEROUS SUBSTANCE & MIXTURE (INCLUDE ALCOHOLIC SOLUTION) W/ BASIS OF ONE/MORE OF THESE SUBSTANCE, OF A KIND USED	11,100	0	-100.0%

FOOD/DRINK INDUSTRIES			
9506910000 GYMNASIUM, PLAYGROUND OR OTHER EXERCISE ARTICLES AND EQUIPMENT, PARTS AND ACCESSORIES THEREOF	181,671	0	-100.0%
9030908050 PARTS AND ACCESSORIES OF ARTICLES OF SCHEDULE B SUBHEADING 9030.82 OR 9030.83	6,800	0	-100.0%
9026800000 INSTRUMENTS AND APPARATUS FOR MEASURING OR CHECKING OTHER VARIABLES OF LIQUIDS OR GASES, NESOI	7,776	0	-100.0%
9022120000 COMPUTED TOMOGRAPHY APPARATUS	517,592	0	-100.0%
5702310000 CARPETS AND OTHER TEXTILE FLOOR COVERINGS OF WOOL OR FINE ANIMAL HAIR, OF PILE CONSTRUCTION, WOVEN, NOT TUFTED OR FLOCKED, NOT MADE UP	5,475	0	-100.0%
4901990010 TEXTBOOKS	33,897	0	-100.0%
4901100000 PRINTED BOOKS, BROCHURES, LEAFLETS AND SIMILAR PRINTED MATTER, IN SINGLE SHEETS, WHETHER OR NOT FOLDED	2,920	0	-100.0%
4812000000 FILTER BLOCKS, SLABS AND PLATES, OF PAPER PULP	483,001	0	-100.0%
4704210000 CHEMICAL WOODPULP, SULFITE, OTHER THAN DISSOLVING GRADES, CONIFEROUS, SEMIBLEACHED OR BLEACHED (AIR DRY WEIGHT)	11,860	0	-100.0%
3926100000 OFFICE OR SCHOOL SUPPLIES OF PLASTIC	4,198	0	-100.0%
3920100000 OTHER PLATES,SHEETS,FILM,FOIL & STRIP,OF PLASTIC, NONCELLUAR & NOT REINFORCED,LAMINATED,SUPPORTED OR COMBINED WITH OTH MAT,OF POLYMERS OF ETHYLENE	25,400	0	-100.0%
3910000000 SILICONES IN PRIMARY FORMS	4,900	0	-100.0%
3706106030	4,000	0	-100.0%

POSITIVE RELEASE PRINTS FOR FEATURE FILM OF A WIDTH OF 35MM OR MORE			
9018310080 OTHER SYRINGES, WITH OR WITHOUT THEIR NEEDLES, NESOI	43,777	0	-100.0%
9018120000 ULTRASONIC SCANNING APPARATUS	8,500	0	-100.0%
9001901000 LENSES, PRISMS, AND MIRRORS, UNMOUNTED, NESOI	14,193	0	-100.0%
8302104090 OTHER HINGES AND PARTS THEREOF OF BASE METAL NESOI	17,379	0	-100.0%
7606920090 OTHER NONRECTANGULAR PLATES, SHEETS AND DISCS OF ALUMINUM ALLOYS 6.3MM OR LESS IN THICKNESS	9,798	0	-100.0%
5703300000 TEXTILE FLOOR COVERINGS, TUFTED, OF MAN-MADE TEXTILE MATERIALS OTHER THAN NYLON OR OTHER POLYAMIDES, WHETHER OR NOT MADE UP	3,000	0	-100.0%
5702990000 CARPETS&OTHER TEXTILE FLOOR COVERINGS OF OTHER TEXTILE MATERIALS(EXCLUDE WOOL,FINE ANIMAL HAIR&MMF)WOVEN,MADE-UP,NOT OF PILE CONSTRUCTION,NOT TUFTED	15,245	0	-100.0%
3004909160 MEDICAMENTS PRIMARILY AFFECTING THE DIGESTIVE SYSTEM PUT UP IN MEASURED DOSES OR IN FORMS/PK FOR RETAIL SALE, NOT ELSEWHERE SPECIFIED OR INCLUDED	2,738	0	-100.0%
2936299055 OTHER VITAMINS AND THEIR DERIVATIVES, NESOI	8,780	0	-100.0%
2844400020 RADIOACTIVE ELEMENTS, ISOTOPES AND COMPOUNDS OTHER THAN THOSE OF SUBHEADINGS 2844.10, 2844.20, AND 2844.30, NESOI	35,631	0	-100.0%
2103909070 MIXED CONDIMENTS AND MIXED SEASONINGS	69,296	0	-100.0%
1209918090 VEGETABLE SEEDS OF A KIND USED FOR SOWING, NESOI	251,167	0	-100.0%

1006309010 RICE, SEMI-MILLED OR WHOLLY MILLED, NESOI, LONG GRAIN	955,347	0	-100.0%
1201000040 SOYBEANS, WHETHER OR NOT BROKEN, EXCEPT SEEDS FOR SOWING	43,098,800	0	-100.0%
Total	98,808,152	85,253,415	-13.7%

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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.

## Trade with Iran : 2004

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

| Month          | Exports     | Imports      | Balance      |
|----------------|-------------|--------------|--------------|
| January 2004   | 11.2        | 11.4         | -0.2         |
| February 2004  | 6.4         | 14.9         | -8.5         |
| March 2004     | 7.8         | 14.4         | -6.6         |
| April 2004     | 4.4         | 10.6         | -6.2         |
| May 2004       | 8.1         | 12.0         | -3.9         |
| June 2004      | 7.2         | 11.1         | -4.0         |
| July 2004      | 9.9         | 11.6         | -1.7         |
| August 2004    | 6.9         | 11.9         | -5.0         |
| September 2004 | 7.0         | 12.8         | -5.8         |
| October 2004   | 6.2         | 15.5         | -9.3         |
| November 2004  | 4.7         | 10.0         | -5.3         |
| December 2004  | 5.5         | 14.9         | -9.4         |
| <b>TOTAL</b>   | <b>85.3</b> | <b>151.2</b> | <b>-65.9</b> |

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

## Trade with Iran : 2003

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

| Month         | Exports | Imports | Balance |
|---------------|---------|---------|---------|
| January 2003  | 4.6     | 15.8    | -11.2   |
| February 2003 | 17.9    | 15.6    | 2.4     |
| March 2003    | 17.7    | 13.2    | 4.6     |
| April 2003    | 4.1     | 11.5    | -7.5    |
|               |         |         |         |



|                |             |              |              |
|----------------|-------------|--------------|--------------|
| May 2003       | 5.6         | 13.2         | -7.6         |
| June 2003      | 7.4         | 14.5         | -7.1         |
| July 2003      | 6.0         | 10.8         | -4.8         |
| August 2003    | 1.9         | 11.5         | -9.5         |
| September 2003 | 2.8         | 13.6         | -10.8        |
| October 2003   | 8.2         | 14.8         | -6.6         |
| November 2003  | 17.6        | 11.1         | 6.6          |
| December 2003  | 5.0         | 15.7         | -10.7        |
| <b>TOTAL</b>   | <b>98.9</b> | <b>161.3</b> | <b>-62.3</b> |

- *'TOTAL' may not add due to rounding.*
- *Table reflects only those months for which there was trade.*
- *CONTACT: Data Dissemination Branch, U.S. Census Bureau, (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 2002   | 0.2     | 15.5    | -15.3   |
| February 2002  | 2.3     | 11.3    | -9.0    |
| March 2002     | 6.5     | 13.8    | -7.3    |
| April 2002     | 0.2     | 10.4    | -10.2   |
| May 2002       | 0.2     | 13.9    | -13.7   |
| June 2002      | 1.6     | 11.6    | -10.0   |
| July 2002      | 3.0     | 11.4    | -8.4    |
| August 2002    | 3.4     | 11.7    | -8.3    |
| September 2002 | 1.8     | 12.0    | -10.2   |
| October 2002   | 1.9     | 17.1    | -15.2   |
| November 2002  | 3.2     | 11.8    | -8.6    |
|                |         |         |         |



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 [URC 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-Ahmed 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, Vazesh Avenue, P.O. Box 11365/5064, 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, Levent, Istanbul, Turkey

▶ BANK MELLAT (Branch), 46 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 Dusseldorf 1, Germany

▶ BANK MELLI (Branch), Friedenstrasse 4, P.O. Box 160 154, 6000 Frankfurt am Main, Germany

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

▶ BANK MELLI (Branch), Odeonsplatz 16, 8000 Munich 22, Germany

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

- ▶ BANK MELLI (Branch), 601 Gloucester Tower, The Landmark, 11 Padder Street, P.O. Box 720, Hong Kong
- ▶ BANK MELLI (Representative Office), 333 New Tokyo Building, 3-1 Merunouchi, 3-chome, Chiyoda-ku, Tokyo, Japan
- ▶ BANK MELLI (Representative Office), 816 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 Sad El-Aaly, Dokki, P.O. Box 2664, 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 Emertel 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-Hebab Building, Al-Fahidi Street, P.O. Box 3063, Bur Dubai, Dubai, U.A.E.
- ▶ BANK MELLI (Branch), P.O. Box 248, Fujairah, U.A.E
- ▶ BANK MELLI (Branch), Sami Seger Building Oman Street Al-Nakheel, P.O. Box 5270, Ras-Al Khaimah, U.A.E
- ▶ BANK MELLI (Branch), P.O. Box 450, Al Bory Street, Sherjah, U.A.E.
- ▶ BANK MELLI (Branch), P.O. Box 785, Government Road, Shaikh Mubarek 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 11365/4976, Tehran, Iran

BANK REFAH KARGARAN (a.k.a. WORKERS WELFARE BANK (of Iran)), Mofatteh 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 Dasa Building, Mejlaka Street 7A, Ashkhabad, Turkmenistan
- ▶ BANK SADERAT IRAN (Branch), 25-29 Panepistimiou Street, P.O. Box 4306, GR-10210, Athens 10672, Greece
- ▶ BANK SADERAT IRAN (Branch), Imam Ali Street, Sahat Yaghi, Ras Elain-Alektisad Building 2nd Floor, Bealbeck, Lebanon
- ▶ BANK SADERAT IRAN (Branch and Offshore Banking Unit), 106 Government Road, P.O. Box 826, Manama Town 316, Bahrain
- ▶ BANK SADERAT IRAN (Branch), Hamra Pavillion Street, Savvagh and Deaboul Building 1st Floor, P.O. Box 113-6717, Beirut, Lebanon
- ▶ BANK SADERAT IRAN (Branch), Alghobeiri Boulevard, Beirut, Lebanon
- ▶ BANK SADERAT IRAN (Branch), 26 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), Almatkour Road, P.O. Box 4182, Deira, Dubai, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Bazar Murhid, P.O. Box 4182, Deira, Dubai, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Allehd Road, P.O. Box 4182, Bur Dubai, Dubai, U.A.E
- ▶ BANK SADERAT IRAN (Branch), Sheres Sheikhh Zeyad 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 4850, 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 4260, Mutrah, Muscat, Oman
- ▶ BANK SADERAT IRAN (Branch), 18 rue de la Paix, Paris 2eme, 75002 Paris, France
- ▶ BANK SADERAT IRAN (Branch), Aleroba 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 11365/4976, Tehran, Iran

BANK SEPAH, Imam 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), 650 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, Via Ugo Foscolo 1, 20121 Milan, Italy

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

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

- ▶ BANK TEJARAT (Branch), 6/B 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, Behaghgi 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, Behaghgi 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 Vah Aar off Park-e-Saif, P.O. Box 15115/631, 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, 00182 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), Mofatteh 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, tax 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/PoliciesAndRegulations/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**

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[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

**Exchange of informational material with Iranian author.**

**FAC No. [text deleted]**

[text deleted]  
[text deleted]  
[text deleted]

Dear [text deleted]:

This is in response to your letter of April 18, 2002 to the Department of the Treasury's Office of Foreign Assets Control ("OFAC"). In your letter you requested guidance regarding the application of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), to your proposed publication arrangement with an Iranian author. As we understand the facts, you are an author of [text deleted] books who has exchanged texts and books with an Iranian author. You provided these texts and books to the Iranian author in order to have them published in Iran. In addition, you propose to convert one of the Iranian author's texts to a [text deleted] book and to assist with its publication in the United States.

Section 560.201 of the ITR prohibits the importation into the United States of any goods or services of Iranian origin. Section 560.204 of the ITR prohibits, *inter alia*, the direct or indirect exportation of U.S.-origin goods, technology, or services to Iran or the Government of Iran. Further, § 560.206 of the ITR prohibits any transactions or dealing in or related to: 1) Goods or services of Iranian origin or owned or controlled by the Government of Iran; or 2) Goods, technology, or services for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran.

The prohibitions contained in these provisions of the ITR do not apply to the importation from any country or the exportation to any country of information and informational materials. 31 C.F.R. §§ 560.210(c); 560.315 (copies enclosed). The exemption in the ITR for information and informational materials authorizes the exportation to Iran and the importation from Iran of most books and other printed materials. See § 560.315(b). The exemption does not apply, however, to transactions related to information and informational materials not fully created and in existence at the date of the transactions, to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services. § 560.210(c)(2).

Consequently, although the exemption for information and informational materials authorizes the sale or trade of a book or a completed manuscript, it does not authorize U.S. persons to create new works at the behest of persons in Iran or to engage persons in Iran to create new works. Nor does it authorize direct or indirect transactions between U.S. persons and persons in Iran relating to the importation

FAC No. [text deleted]  
of 2

Page 2

into or exportation from the United States of services relating to the substantive or artistic alteration or enhancement of a manuscript. Accordingly, the creation of illustrations for a person in Iran is not permitted as it constitutes a prohibited exportation of services. Likewise, your assistance to the Iranian author in editing and preparation for publication of manuscripts or such services by a person in Iran for a U.S. person, including activities such as reordering of paragraphs or sentences, correction of syntax, grammar, and replacement of inappropriate words, would result in a substantively altered or enhanced product, and is therefore prohibited under the ITR unless specifically licensed.

Similarly, the exemption for information and informational materials does not authorize the provision of marketing or business consulting services, including without limitation services to market, produce or co-produce, create, or assist in the creation of information or informational materials. Inherent in the publication of a book are marketing, distribution, artistic, advertising and other services not exempt from the prohibitions of §§ 560.201, 560.204, and 560.206. Thus, you may not publish books in the United States on behalf of a person in Iran, nor may a person in Iran publish books on your behalf.

A summary of the ITR is enclosed. 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

Enclosures

**FAC No. [ text deleted ]**

[ text deleted ]  
[ text deleted ]  
[ text deleted ]  
[ text deleted ]  
[ text deleted ]

Dear [ text deleted ]

This responds to your letter of [ text deleted ], on behalf of [ First U.S Entity ] and [ Second U.S. Entity ] to the Office of Foreign Assets Control ("OFAC"). [ First U.S. Entity ] and [ Second U.S. Entity ] request concurrence that no license is needed for [ Second U.S. Entity ] to enter into a license agreement with a publisher in Iran to publish and distribute certain works of [ text deleted ] in Iran. Pursuant to the proposed license agreement, the Iranian publisher would translate the works into Farsi, prepare text and artwork for printing, submit galley and page proofs together with all artwork, photographs and related captions to [ Second U.S. Entity ] for approval, print, publish, promote and sell the works. In the event that OFAC determines a license is necessary to perform the described transactions, [ First U.S. Entity ] and [ Second U.S. Entity ] request that such a license be granted.

The Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), prohibit the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a U.S. person, wherever located, of any goods, technology or services to Iran or the Government of Iran. ITR, § 560.204. The ITR also prohibit the importation into the United States of any goods or services of Iranian origin or owned or controlled by the Government of Iran. ITR, § 560.201. Section 560.206 of the ITR prohibits U.S. persons, wherever located, from engaging in any transaction or dealing in or related to goods or services of Iranian origin or owned or controlled by the Government of Iran, or goods, technology or services for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran.

As noted in your letter, the importation from any country and the exportation to any country of information and informational materials, whether commercial or otherwise, regardless of format or medium of transmission, are exempt from the prohibitions and regulations of the ITR. ITR, § 560.210(c). However, this exemption does not encompass transactions related to information and informational 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. Transactions that are prohibited notwithstanding the exemption include payment of advances for materials not yet created and completed, and provision of services to market, produce or co-produce, create or assist in the creation of information and informational materials. ITR, § 560.210(c).

The engagement of a publisher in Iran to perform the services described in the license agreement, including but not limited to preparing artwork for publishing, and promoting the works in Iran,

would constitute substantive or artistic alteration or enhancement of the materials being exported and the provision of marketing services. Accordingly, the § 560.210(c) exemption does not extend to the transactions proposed in your letter. Instead, these transactions entail a prohibited importation of Iranian-origin services pursuant to ITR § 560.201, and a dealing in Iranian-origin services, pursuant to ITR § 560.206. It would be contrary to current licensing policy to authorize such transactions.



R. Richard Newcomb  
Director  
Office of Foreign Assets Control



**FAC No.** [ text deleted ]

[ text deleted ]  
[ text deleted ]  
[ text deleted ]  
[ text deleted ]

Dear Mr. [ text deleted ]:

This responds to your letters of March 13, 17, and 31, 2003, regarding the entry of [ text deleted ] (the "U.S. Company"), a U.S. provider of Internet-based listings of companies in the field of [ text deleted ], into a Licensing Agreement with [ text deleted ] (the "non-U.S. Company"), based in [ text deleted ] (the "Agreement"), to provide certain information for posting on the U.S. Company's Web site regarding companies in Iran. It is our understanding that the U.S. Company, in association with [ text deleted ], maintains a database containing certain basic information, including name, address, telephone number and product line, for companies throughout the world.

The U.S. Company proposes to offer, for a fee, pursuant to the Agreement with the non-U.S. Company, enhanced Internet-based listings for companies in Iran that wish to expand the information posted about them on the U.S. Company's Web site. Such enhanced listings include [ text deleted ]. These enhanced listings would be produced at the behest of and for the benefit of customers in Iran.

The Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), prohibit the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a U.S. person, wherever located, of any goods, technology or services to Iran or the Government of Iran. This prohibition also applies to the exportation, reexportation, sale or supply of goods, technology or services to a person in a third country undertaken with knowledge or reason to know that the goods are intended specifically for supply, transshipment or reexportation, directly or indirectly, to Iran or the Government of Iran. ITR, § 560.204.

The prohibition in ITR § 560.204 on exports to Iran or the Government of Iran does not apply to the exportation to any country of information and informational materials. ITR, § 560.210(c). The term *information and informational materials* is defined in ITR § 560.315 to include publications, films, posters, phonograph records, photographs, microfilm, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds.

In addition, § 560.210(c)(2) of the ITR provides that the information and informational materials exemption does not apply to transactions related to information and informational materials not fully created and in existence at the date of the transactions, or to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services.

The exemption for information and informational materials set forth in the ITR does not apply to the U.S. Company's provision of enhanced listings for customers in Iran as described in your letters and the Agreement. Such transactions would appear to constitute the substantive enhancement of information provided by the Iranian customers and the provision of additional services. For example, the Agreement indicates that, under the authority of the U.S. Company, the non-U.S. Company will be selling services such as [ text deleted ] to companies in Iran. In addition, the Agreement indicates that the U.S. Company will be providing online customer support. The provision of such services to Iran would be prohibited by ITR § 560.204 in the absence of a license. It would be inconsistent with current licensing policy to specifically authorize such transactions.

Sincerely,



R. Richard Newcomb  
Director  
Office of Foreign Assets Control

June 3, 2003

**OFFICE OF FOREIGN ASSETS CONTROL**

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

**GUIDANCE ON THE PROVISION OF INTERNET CONNECTIVITY SERVICES**

This guidance was developed in response to inquiries received by the Office of Foreign Assets Control ("OFAC") concerning the provision of international Internet connectivity services to Iran. The provision by U.S. persons of Internet access to Iran falls within the scope of the prohibitions contained in the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), on providing services to persons in Iran or the Government of Iran, or where the benefit of such services is otherwise received in Iran. ITR, §§ 560.204, 560.410.

Following interagency consultations, OFAC has determined that the provision by U.S. persons of international Internet connectivity services to civilian customers in Iran can be authorized on a case-by-case basis by specific license to applicants, provided that the main purpose is to benefit the people of Iran through increased access to information, and provided further that the applicants can state or otherwise confirm the following:

1. The specific Internet services that an applicant seeks to provide can be received in Iran using non-U.S. origin goods, technology and software that may be exported to Iran by non-U.S. persons without violating ITR §§ 560.204 or 560.205;
2. No goods, technology or software will be exported, directly or indirectly, to Iran from the United States, or by U.S. persons, wherever located, and no U.S. origin goods, technology, or software will be exported, directly or indirectly, to Iran by non-U.S. persons in violation of ITR §§ 560.204 or 560.205, in connection with the services that they are providing; and

3. If an applicant wishes to provide the services through a third-country company, the third-country company will not export or re-export, directly or indirectly, any goods, technology or software to Iran in violation of ITR § 560.205, in connection with the Internet connectivity services to be provided.

Licenses to provide Internet connectivity services to Iran issued by OFAC do not authorize any U.S. person to act as the provider of end-user Internet or telecommunications services (including private network services offered via satellite) to Iran, the Government of Iran, or any person in Iran. Finally, specific licenses authorizing U.S. persons to provide Internet connectivity services are issued only in the case of Iran; i.e., this licensing policy applies only to the ITR and not to any other sanctions program administered by OFAC.



R. Richard Newcomb  
Director  
Office of Foreign Assets Control

**MAY 9, 2003**  
030509-FACRL-IA-06

**FAC No.** [ text deleted ]

Mr. [ text deleted ]  
[ text deleted ]  
[ text deleted ]  
[ text deleted ]

Dear [ text deleted ]:

This responds to your letters of [ text deleted ] on behalf of [ U.S. person ], and your [ text deleted ] letter on behalf of [ non-U.S. company ], based in [ third country ], requesting a license to export U.S.-origin equipment and technology to [ third country ] and to reexport the same to Iran. [ U.S. person ] proposes to fill orders for [ non-U.S. company ] for [ U.S. origin goods and technology ], including spare parts and components. In support of your license application you assert that the proposed transactions fall within the parameters for issuing a specific license under § 560.528 of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"). You also note that the [U.S. origin goods and technology ] themselves are classified on the Commerce Control List under ECCN heading ECCN heading 7A994: Other navigation direction finding equipment, airborne communication equipment, all aircraft inertial navigation systems not controlled under 7A003 or 7A103, and other avionic equipment, including parts and components.

The ITR prohibit the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a U.S. person, wherever located, of any goods, technology or services to Iran or the Government of Iran. This prohibition also applies to the exportation, reexportation, sale or supply of goods to a person in a third country undertaken with knowledge or reason to know that the goods are intended specifically for supply, transshipment or reexportation, directly or indirectly, to Iran or the Government of Iran. ITR, § 560.204. The ITR also prohibit the reexportation by a non-U.S. person from a third country, directly or indirectly, to Iran or the Government of Iran of any goods that have been exported from the United States, if the exportation of such goods from the United States to Iran was subject to export license application requirements under any United States regulations in effect on May 6, 1995, or thereafter was made subject to such requirements imposed independently of the ITR. ITR, § 560.205.

Section 560.528 of the ITR provides that specific licenses may be issued, on a case-by-case basis, for the exportation and reexportation of goods, services and technology to insure the safety of civil aviation and safe operation of U.S.-origin commercial passenger aircraft. The equipment and technology that you wish to export for the purpose of reexportation to Iran are not directly essential to or exclusively for the operation of U.S.-origin commercial passenger aircraft. In addition, please note that items falling under ECCN heading 7A994 are controlled for anti-terrorism purposes. Under the Iran-Iraq

Arms Non-Proliferation Act of 1992 (the "Act"), OFAC may not authorize the direct or indirect exportation from the United States of these items in the absence of a waiver of the requirements of the Act.

The information provided in your application does not indicate that such a waiver has been obtained. Consequently, OFAC is unable to grant your request at this time. Accordingly, your license request is hereby denied.

Sincerely,

A handwritten signature in cursive script that reads "Richard Newcomb".

R. Richard Newcomb  
Director  
Office of Foreign Assets Control

NO LICENSE IS REQUIRED FOR EXPORTS OF EQUIPMENT TO BE USED TO  
MANUFACTURE OR TEST GOODS DESTINED FOR IRAN.

May 9, 2003  
030509-FACRL-IA-05

FAC No. [text deleted]

[text deleted]  
[text deleted]  
[text deleted]  
[text deleted]  
[text deleted]

Dear [text deleted]:

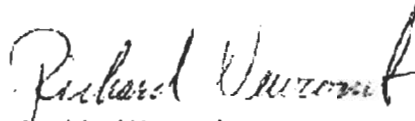
This is in reply to your letter of September 24, 2002 to the Department of the Treasury's Office of Foreign Assets Control ("OFAC") on behalf of [a U.S. person]. In your letter you inquired whether a license is required in order for the [third country] branch of [a U.S. person] to sell two [text deleted] testing systems (the "[text deleted] systems") to a [third country entity]. As we understand the facts, one [text deleted] system would be permanently installed in [the third country entity's] facilities for the purpose of testing during the manufacture of [text deleted]. [Third country entity] would use the second [text deleted] system for final inspection of completed [text deleted] equipment. The [text deleted] system would be used exclusively by [third country entity] and would not be incorporated into [third country entity's] products. The [U.S. person] has learned that the [third country entity's] products could be sold to Iran.

Section 560.204 of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), 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. Section 560.205(a) of the ITR prohibits the re-exportation from a third country, directly or indirectly, by a person other than a United States person, of any goods, technology, or services that have been exported from the United States, if undertaken with knowledge or reason to know that the reexportation is intended specifically for Iran; and the exportation of such goods, technology, or services from the United States to Iran was subject to export license application requirements under any United States regulations in effect on May 6, 1995, or thereafter.

Since no U.S.-origin goods, technology, or services will be exported to Iran or the Government of Iran or incorporated into goods intended for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran, no OFAC license is required in order for [a U.S. person] to export the [text deleted] systems to [third country entity]. It should be noted that an exportation or reexportation transaction that is not prohibited by the ITR may, nevertheless, be prohibited pursuant to laws and regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security.

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,

A handwritten signature in cursive script, appearing to read "Richard Newcomb".

R. Richard Newcomb  
Director  
Office of Foreign Assets Control



[ text deleted ]

[ text deleted ] Esquire  
[ text deleted ]  
[ text deleted ]  
[ text deleted ]

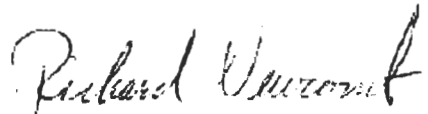
Dear [ text deleted ]:

This responds to your letter of February 28, 2001, requesting authorization for [ U.S. person ] to license access via the Internet to [ text deleted ] its database, containing [text deleted] to [ an entity ] in Iran. [ U.S. person ] also requests authorization to license access to [ its database ], containing [ text deleted ] to [ an entity in Iran ]. We understand that [ U.S. person ] is a not-for-profit organization [ text deleted ], and its products can be accessed at more than 900 participating libraries and universities worldwide. It is our understanding that no software or restricted technical data will be exported to Iran in connection with the proposed licensing arrangement.

The importation from any country and the exportation to any country of information and informational materials, whether commercial or otherwise, regardless of format or medium of transmission, are exempt from the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"). ITR, § 560.210(c). Because the information provided in [ U.S. person's ] database falls within the scope of § 560.210(c), the exportation of this information from the United States to Iran is exempt from the prohibitions of the ITR.

In connection with the exportation of the information included within [ U.S. person's ] online database to Iran, [ U.S. person] enables its users to perform searches of its database, whereby [U.S. person's ] subscribers submit searching terms to [ its database ] and the most relevant articles in the database are identified. 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. Please note, however, that this determination is limited to enabling access in Iran to [ its database ]. This determination does not apply to any additional products or services that may be offered by [ U.S. person ] in connection with the use of [ its database ] in Iran; nor does it apply to technical support,

customer support, or other services that might be provided by  
[U.S. person ].

A handwritten signature in cursive script, appearing to read "Richard Newcomb".

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

030331-FACRL-IA-02  
March 31, 2003

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

**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**

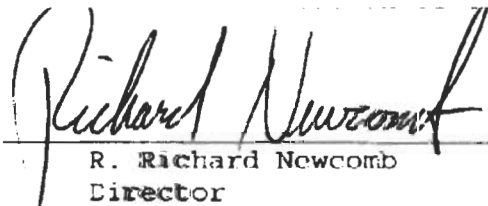
The ITR information and informational materials exemption does not encompass transactions related to materials not fully created and in existence at the date of the transactions, any substantive or artistic alteration or enhancement of informational materials, or the provision of marketing and business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



**IRAN: TRAVEL EXEMPTION**

FAC No. [text deleted]

[text deleted]  
[text deleted]  
[text deleted]  
[text deleted]  
[text deleted]

Dear [text deleted]:

This is with regard to your letters of January 9, 2003, June 6, 2003, and June 12, 2003 to the Department of the Treasury's Office of Foreign Assets Control ("OFAC") on behalf of [a U.S. person]. In your letters you inquired whether the travel exemption provisions contained in § 560.210(d) of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "Regulations"), authorize [U.S. persons] to engage in the following activities involving the arrangement of air travel between the United States and Iran:

- 1) Publication of schedules of flights between Europe and Iran;
- 2) Publication of interline airfares;
- 3) Acceptance of reservations for travel between the United States and Iran;
- 4) Issuance of airline tickets for the entire trip between the United States and Iran; and
- 5) Advertisement of air service between the United States and Iran.

Section 560.204 of the Regulations 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. However, § 560.210(c) of the Regulations provides that the prohibitions do not apply to the importation from and the exportation to any country of information and informational materials fully created and in existence at the time of the transaction. In addition, § 560.210(d) of the Regulations provides that the prohibitions contained in § 560.204 do not apply to transactions ordinarily incident to travel to or from any country, including importation of accompanied baggage for personal use, maintenance within any country including payment of living expenses and acquisition of goods or services for personal use, and arrangement or facilitation of such travel including nonscheduled air, sea, or land voyages. Section 560.210(d) of the Regulations further provides that the exemption

FAC No. [text deleted]

Page 2 of 2

extends to transactions with Iranian carriers and those involving group tours and payments in Iran made for transactions directly incident to travel.


Based upon the information submitted, we have concluded that, with the exceptions noted below, the exemptions set forth in § 560.210(c and d) of the Regulations are applicable to all of the above listed activities involving airline travel between the United States and Iran.

With respect to the advertisement of air service between the United States and Iran, the Regulations do not prohibit such transactions unless they are undertaken at the behest of a person in Iran or an Iranian entity. The Regulations would prohibit advertising-related transactions undertaken at the behest of a person or entity in Iran, unless the information or informational materials exemption applies. To fall within the scope of the information and informational materials exemption, such transactions must be limited to the direct dissemination of copy-ready materials. A U.S. person cannot provide any other related services to Iran, such as the development of advertising materials or an advertising campaign or serving as an agent for the buying or brokering of advertising space, without OFAC authorization. Such activities do not fall within the scope of the information and informational materials exemption. Such activities also would not fall within the scope of the travel exemption, as they are not directly incident to travel.

Although the travel exemption set forth in § 560.210(d) of the Regulations applies regardless of whether the connecting carrier is Iran Air or another Iranian air carrier, it applies only to arranging travel and should not be construed to authorize transactions not directly incident to travel, such as the creation or enhancement of a travel reservation service in Iran. Further, while [U.S. persons] are authorized to accept reservations, issue tickets for travel on Iranian carriers, and advertise air service between the United States and Iran (subject to the caveats referenced above), any U.S. origin financial services used to exchange payments with Iran must fall within the scope of the authorizations set forth in § 560.516 of the Regulations, which necessitate the use of non-U.S., non-Iranian financial institutions as intermediaries to such transactions.

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

031211-FACRL-IA-13  
December 11, 2003

FAC No. IA-[text deleted]

[text deleted]

Dear [text deleted]:

This correspondence is in response to your letters [text deleted], on behalf of [U.S. company]. You requested clarification as to whether a license could be issued to [U.S. company] permitting it to pay a court judgment to [Iranian company], in the amount of [text deleted], plus interest and attorney's fees. Your inquiry noted that, as [Iranian company] is now defunct, all rights in this lawsuit have been assigned to [third country national], a resident of [text deleted].

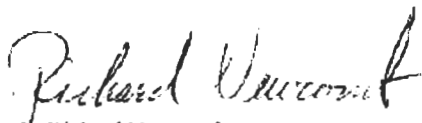
The Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "Regulations") prohibit the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a U.S. person, wherever located, of any goods, technology, or services to Iran or the Government of Iran. § 560.204.

The Regulations generally do not prohibit the payment by a U.S. person of court costs relating to litigation with an Iranian entity and, in this instance, no license is required for [U.S. company] to pay such costs. In addition, to the extent that the judgment [U.S. company] has been ordered to pay relates to services provided by [Iranian company] prior to the existence of the sanctions imposed against trade with Iran beginning in May 1995, you do not need a license from OFAC to pay the judgment, provided the funds are routed properly. (See § 560.516)

However, to the extent that the judgment relates to money owed for services performed by [Iranian company] after the imposition of trade sanctions in May 1995, the payment of the judgment would constitute a prohibited trade-related transaction relating to an importation of Iranian-origin services. The attached license from OFAC specifically authorizes you to pay the judgment referenced in your application.

From your letter, it does not appear as if the payment of the judgment will be made to an entity in Iran. However, please note that if such a payment to Iran is contemplated, §560.516 of the Regulations authorizes U.S. depository institutions to transfer funds to Iran if (1) the transfer arises from an underlying transaction either not prohibited by the Regulations or authorized by a specific or general license, and (2) the transfer does not involve the debiting or crediting of accounts of persons in Iran or of the Government of Iran maintained on the books of a United States depository institution. § 560.516 (a) (3). The funds would, therefore, first have to be transferred to an account in a third country bank that is neither a U.S. person nor an Iranian entity.

Sincerely,



R. Richard Newcomb  
Director  
Office of Foreign Assets Control

031211-FARCL-IA-14  
December 11, 2003

**Case No.** [ text deleted ]  
**FAC No.** [ text deleted ]

[ text deleted ]  
[ text deleted ]  
[ text deleted ]  
[ text deleted ]

Dear [ text deleted ]:

This responds to your letter of [ text deleted ], in which you provide additional information regarding the proposed entry of [ text deleted ] (the "U.S. Company"), a U.S. provider of Internet-based listings of companies in the field of [ text deleted ], into a Licensing Agreement with [ text deleted ], based in [ text deleted ], to provide certain information for posting on the U.S. Company's website regarding companies in Iran.

#### **Background**

You argue that the addition of data elements to the U.S. Company's unpaid regular listings for Enhanced Listing subscribers consists of previously existing information, including [ text deleted ] and thus should be considered information and informational materials that are exempt from the prohibitions of the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"). For subscribers at the [ text deleted ], a prominent [ text deleted ] listing that includes a company's [ text deleted ] is added, as well as priority listing for the subscriber in search results, which we understand from the website [ text deleted ] to mean that a search result will display a [ text deleted ] subscriber's listing above non-Enhanced Listings if the subscriber's company meets the search criteria.

In addition to the services provided to subscribers at the [ text deleted ], [ text deleted ] subscribers obtain a [ text deleted ] on top of the search results pages, [ text deleted ] and reduced rates for additional listings and [ text deleted ]. Each category will have only one [ text deleted ] subscriber, which will be prominently displayed on the top of the company listings page in the specific category, along with its [ text deleted ].

You provide us with the URL of an Internet-based directory operated by [ text deleted ], a U.S. company you describe as providing services similar to those of the U.S. Company and listing many companies from Iran. [ text deleted ], is among the basic listings that appear on that web-page. You also clarify that customer support is provided to users of the Company's website rather than [ text deleted ] and [ text deleted ] subscribers of the Company.

### **Analysis**

The listing of basic information on a website in a uniform format for companies around the world, including Iran, by a U.S. person, is not prohibited by the ITR. The provision of marketing services to persons in Iran or the Government of Iran, above and beyond the mere dissemination of information in-being, however, is prohibited under the ITR.

You note in your letter that the information being added to the enhanced listings displayed on your website is based on pre-existing information supplied by customers wishing to purchase enhanced advertising from the U.S. Company. The posting of this alternative layout of information on your website regarding companies in Iran, including additional data elements of identifying information, would not be prohibited, as long as the U.S. Company does not provide any marketing services to customers in Iran or substantively enhance information provided by Iranian customers.


With regard to [ text deleted ], the U.S. Company would not be prohibited from accepting previously existing, camera-ready brochures and pictures, fully created and in existence, from Iran for placement on its website. A U.S. person may not, however, rework or otherwise enhance such images. OFAC views the publishing of online pre-existing [ text deleted ] as analogous to the activities of U.S. persons who accept information and informational materials from sanctioned countries in connection with the running of an advertisement in a newspaper. Such activity does not fall within the scope of OFAC's regulations.

With respect to your clarification concerning the nature of your online support to searchers of your database (as opposed to entities listed in your database), OFAC can confirm that such customer support would not be prohibited by the ITR, unless the support were provided to persons in Iran.

With respect to the direct e-mail service that, according to your website, you provide as part of your enhanced listing

service, the ITR do not prohibit you from enabling users of your database to e-mail a form inquiry to any of your Iranian entity subscribers, provided that you provide no services to the Iranian entity in developing or customizing the inquiry form.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Newcomb".

R. Richard Newcomb  
Director  
Office of Foreign Assets Control

031103-FACRL-IA-15  
November 3, 2003

**FAC No. [ text deleted ]**

[ text deleted ]  
[ text deleted ]  
[ text deleted ]  
[ text deleted ]

Dear [ text deleted ]:

This responds to your [ text deleted ] letter, on behalf of [ text deleted ] (the "U.S. Entity"), regarding the provision of certain services and distribution of information and informational materials to persons residing in Iran. We understand that the U.S. Entity is a non-profit, professional membership association in the field of [ text deleted ]. The U.S. Entity's member services and publications do not consist of confidential, trade secret or security-related information, and are not specifically directed to, or customized for, any particular nationality or group. The materials that would be provided to Iranians or persons living in Iran are identical to those provided to [ text deleted ] throughout the world.

### **Background**

The Iranian Transactions Regulations, 31 C.F.R. Part 560 (the "ITR"), prohibit the exportation, reexportation, sale or supply, directly or indirectly, from the United States or by a U.S. person, wherever located, of any goods, technology or services to Iran or the Government of Iran. This prohibition also applies to the exportation, reexportation, sale or supply of goods, technology or services to a person in a third country undertaken with knowledge or reason to know that the goods are intended specifically for supply, transshipment or reexportation, directly or indirectly, to Iran or the Government of Iran. ITR, § 560.204.

The prohibition in ITR § 560.204 on exports to Iran or the Government of Iran does not apply to the exportation to any country of information and informational materials. ITR, § 560.210(c). The term *information and informational materials* is defined in ITR § 560.315 to include publications, films, posters, phonograph records, photographs, microfilm, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds.

In addition, § 560.210(c)(2) of the ITR provides that the exemption does not apply to transactions related to information and informational materials not fully created and in existence at the date of the transactions, or to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services. Also, please note that because the ITR prohibit a contract between a U.S. person and a person in Iran or the Government of Iran for the sale of informational materials not in existence or for the alteration or enhancement of informational materials, the U.S. Entity may not contract to produce new materials for its customers in Iran.

### **Analysis**

You pose a series of questions regarding certain activities proposed by the U.S. Entity involving Iran. First, with regard to how the U.S. Entity should determine which informational materials are not exempt from the ITR, to qualify for the information and informational materials exemption, the U.S. Entity's materials must not be items that were, as of April 30, 1994, or that thereafter have become controlled for export pursuant to § 5 of the Export Administration Act of 1979, 50 U.S.C. App. §§ 2401-2420 (the "EAA"), or by § 6 of the EAA to the extent that such controls promote the non-proliferation or antiterrorism policies of the United States. For help in determining whether the informational materials described in your letter are considered to be technology or technical data, you may consult the Export Administration Regulations, 15 C.F.R. parts 730-774, or contact the U.S. Department of Commerce, Bureau of Industry and Security, Foreign Policy Controls Division, 14<sup>th</sup> and Pennsylvania Avenue, N.W., Washington, D.C. 20230, U.S.A., (tel. 1-202-482-4811) (Web site [www.bis.doc.gov](http://www.bis.doc.gov)).

Second, you ask whether an organization may collect membership fees from persons in Iran if the fee charged exceeds the value of the publications provided to the members. The extension of membership to and acceptance of annual dues from Iran in connection with receipt by Iran of the U.S. Entity's association publications and information would not be prohibited by the ITR. In addition, the amount of annual dues may exceed the value of the information and materials provided to the member, but please note that such dues may not be collected in exchange for the provision of any unauthorized services to members in Iran, as discussed below. Further, to the extent that you receive dues from Iran through the services of a U.S. financial institution, certain restrictions apply. See 31 C.F.R. 560.516.

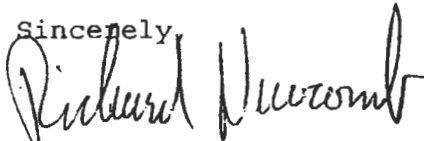


Finally, you ask whether non-profit organizations may provide certain types of services and benefits to Iran. The provision to Iran by either for-profit or non-profit organizations of services such as professional certification, professional certification exams, credit card services and the formation in Iran of the U.S. Entity's chapters, special interest groups and colleges or provision of any support thereto would constitute the provision of services to Iran prohibited by ITR § 560.204.

The distribution and sale in Iran by U.S. persons of informational publications concerning certification eligibility requirements, educational requirements, and examination information would qualify for the information and informational materials exemption, provided such publications were pre-existing and not created or compiled at the behest of Iranian customers. With regard to your question concerning the distribution and sale in Iran of study aids and other educational materials designed to assist candidates in preparing for certification exams, we are unable to provide further guidance at this time without a more detailed description of the subject materials, as certain types of educational materials and study-aids, such as those based on software that is not publicly available, may not qualify for the information and informational materials exemption described in § 560.210(c).

The provision of benefits by U.S. persons to Iran that relate to information and informational materials, such as attendance by Iranian nationals at public education programs sponsored by the U.S. Entity, is authorized, provided that no prohibited services of the type described above are provided.

Sincerely,



R. Richard Newcomb  
Director

Office of Foreign Assets Control