



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

MAR 13 2008

**FAC. No. IA-361423**

Susan Hamrock Mann  
Director, Afghanistan and Iraq Investment and Reconstruction Task Force  
International Trade Administration  
U.S. Department of Commerce  
1400 Constitution Ave. NW, Room 3421  
Washington, DC 20230

Dear Ms. Mann:

Thank you for your letter to the Office of Foreign Assets Control (“OFAC”) requesting interpretive guidance on U.S. sanctions policy toward Iran. In your letter, you seek guidance on whether Afghan-origin goods that are transshipped through Iran are subject to the Iranian Transactions Regulations, 31 C.F.R. Part 560 (the “ITR”).

Under the ITR, goods that are transshipped through Iran enter into Iranian commerce and become *goods of Iranian-origin*. ITR, § 560.306. As such, those goods are prohibited from importation into the United States, and U.S. persons are prohibited from engaging in transactions or dealings in or related to those goods. ITR, §§ 560.201, 560.206. In addition, U.S. persons, wherever located, are prohibited from exporting goods to Iran, regardless of the origin of those goods. ITR, § 560.204.

The ITR contain an authorization for the importation into the United States of certain foodstuffs and carpets of Iranian-origin, as well as for transactions or dealings by U.S. persons in those goods, provided that such activities do not involve otherwise prohibited transactions that are not considered ordinarily incident to that authorization. ITR, § 560.534. Therefore, Afghan-origin foodstuffs and carpets that have entered Iranian commerce and that otherwise meet the conditions set forth in ITR § 560.534 may be imported into the United States at the present time, and U.S. persons may engage in transactions ordinarily incident to that importation and necessary to give effect thereto. For example, U.S. persons, wherever located, may engage in loading such Afghan goods at an Iranian port for shipment to the United States. U.S. persons also may purchase such Afghan goods in markets outside of Iran, such as markets in the United Arab Emirates, for importation into the United States.

However, U.S. persons, wherever located, are prohibited from engaging in or facilitating the transshipment of any goods through Iran or entering into a contract for the exportation of goods to Iran, including Afghan-origin foodstuffs and carpets that are ultimately destined for importation into the United States. The provision of any transportation services to or from Iran, other than, in this case, loading the licensed cargo for shipment to the United States, is not authorized as ordinarily incident to the importation into the United States; nor is a transaction by

an unlicensed Iranian governmental entity so authorized. OFAC will consider applications for specific licenses for U.S. persons to engage in such otherwise prohibited transactions necessary to transship via Iran for importation into the United States Afghan-origin foodstuffs and carpets that otherwise meet the requirements of the general license set forth in ITR § 560.534. Prior to submitting a specific license application or to engaging in any transactions pursuant to ITR § 560.534, however, U.S. persons should check OFAC's Web site and the *Federal Register* for any relevant changes to the ITR.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam J. Szubin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Adam J. Szubin  
Director  
Office of Foreign Assets Control