



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF FOREIGN ASSETS CONTROL  
IRANIAN TRANSACTIONS REGULATIONS  
(31 C.F.R. PART 560)  
GUIDANCE ON TRANSSHIPMENTS THROUGH IRAN  
AND RELATED ISSUES

This guidance was developed by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") to assist the business community regarding the applicability of the Iranian Transactions Regulations (the "ITR"), 31 C.F.R. Part 560, to the transshipment of goods from Afghanistan through Iran and related transactions involving U.S. persons. U.S. persons considering engaging in such transactions are encouraged to consult the ITR for more complete information.

*Prohibitions*

- ***Exports of goods, technology, and services to Iran are prohibited.*** Except as otherwise authorized by general or specific license, the ITR 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, and also prohibit transactions or dealings by U.S. persons in or related to goods, technology, or services for exportation to 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.
- ***Imports of Iranian-origin goods and services are prohibited.*** Except as otherwise authorized by general or specific license, the ITR also prohibit the importation into the United States of goods or services of Iranian origin (other than information and informational materials), and prohibit U.S. persons from engaging in transactions or dealings in or related to those goods or services.
- ***Facilitation of a transaction by a foreign person is prohibited if a U.S. person could not engage in the transaction directly.*** Except as otherwise authorized by general or specific license, the ITR prohibit U.S. persons from approving, financing, facilitating, or guaranteeing any transaction by a foreign person where the transaction would be prohibited if performed by a U.S. person or within the United States.

March 26, 2010

## *Transshipment*

- Under the ITR, the prohibitions on the export of goods to Iran and engaging in any transaction or dealing in or related to such goods apply to export transactions which require a transshipment or transit of goods through Iran to third countries.
- Under the ITR, goods that are transshipped through Iran enter into Iranian commerce and become “goods of Iranian origin.” Such 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 unless authorized by general or specific license.

## *Authorizations and Exceptions*

- ***Authorization for imports of certain Iranian-origin foodstuffs and carpets.*** The importation into the United States of certain foodstuffs and carpets of Iranian origin, as well as transactions and dealings by U.S. persons in those goods, are authorized by general license. Accordingly, certain Afghan-origin foodstuffs and carpets that have entered Iranian commerce (and that have therefore become “goods of Iranian origin” as described above) may be imported into the United States under the conditions described in the general license. U.S. persons may also purchase such foodstuffs and carpets in third countries, following the transshipment of the goods through Iran, for importation into the United States.
  - U.S. persons cannot, however, engage in or facilitate the transshipment of any goods through Iran or enter into a contract for the exportation of goods to Iran, including Afghan-origin foodstuffs and carpets that are transshipped through Iran and destined for importation into the United States. U.S. persons also cannot provide any transportation services to or from Iran in connection with authorized imports of foodstuffs and carpets, other than loading, transporting, or discharging the goods in Iran.
- ***Exception for imports of goods containing Iranian-origin raw materials or components.*** The importation into the United States from third countries of goods containing Iranian-origin raw materials or components is not prohibited if those raw materials or components have been incorporated into manufactured products or have been substantially transformed in a third country by a person other than a U.S. person. Accordingly, if Afghan-origin raw materials or components such as marble or granite have entered into Iranian commerce (and have therefore become “goods of Iranian origin” as described above), but have been incorporated into manufactured products or substantially transformed in a third country by a non-U.S. person, the final manufactured products can be imported into the United States.
  - Similarly, transactions by U.S. persons relating to goods containing Iranian-origin raw materials or components are not prohibited if those raw materials

or components have been incorporated into manufactured products or substantially transformed in a third country by a person other than a United States person.

### *Guidance*

Goods that are transshipped through Iran become goods of Iranian origin. Such goods are generally prohibited from importation into the United States, and U.S. persons generally cannot engage in transactions or dealings relating to such goods. However, an authorization exists for the importation into the United States of, and dealings in, certain foodstuffs and carpets of Iranian origin (including such foodstuffs and carpets that originated in Afghanistan and were transshipped through Iran).

Similarly, raw materials or components that are transshipped through Iran become goods of Iranian origin, and as such, are generally prohibited from importation into the United States, and U.S. persons generally cannot engage in transactions or dealings relating to such goods. However, an exception applies when the raw materials or components have been substantially transformed or incorporated into a manufactured product in a third country by a non-U.S. person.

Please note, however, that 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, carpets, or other goods that are transshipped through Iran and ultimately destined for the United States or another country, unless specifically authorized. A U.S. person should exercise caution in such dealings involving countries neighboring Iran and may contact OFAC's Licensing Division with any questions regarding the applicability of the ITR to a specific transaction.

- U.S. persons are also advised to screen transactions against the List of Specially Designated Nationals and Blocked Persons (the "SDN List"), which can be found at: <http://www.treas.gov/offices/enforcement/ofac/>

### *Examples*

- A U.S. person may purchase in a third country, and import into the United States, Afghan-origin carpets and certain Afghan-origin foodstuffs that have been transshipped through Iran.
- A U.S. person may engage in loading Afghan-origin carpets and certain Afghan-origin foodstuffs at an Iranian port for shipment to the United States.
- A U.S. person is prohibited from engaging in or facilitating the transshipment of any goods (including carpets and foodstuffs) from Afghanistan through Iran, unless a specific license has been obtained from OFAC.

- A U.S. person cannot manufacture goods in Afghanistan for transshipment through Iran to the United States or to another country, unless a specific license has been obtained from OFAC.
- Goods made of Afghan-origin marble that has been transshipped through Iran may be imported into the United States if the marble has been substantially transformed or incorporated into a manufactured product in a third country by a non-U.S. person.

### *OFAC's Specific License Application Process*

You may seek authorization to engage in transactions otherwise prohibited by statute or regulation by applying to OFAC's Licensing Division for a "specific license" to engage in particular transactions. In most cases, license applications may be submitted in letter form. The application must include the following information:

- The applicant's full legal name, mailing and street address, and signature. (If the applicant is a business entity, please include the state or jurisdiction of incorporation and principal place of business.)
- The names and addresses of all parties involved in the transactions and their roles, including financial institutions.
- A detailed description of the proposed transactions.
- The applicant's taxpayer identification number.

Applications may be mailed to:

U.S. Treasury Department  
Office of Foreign Assets Control  
Licensing Division  
1500 Pennsylvania Avenue, NW – Annex  
Washington, DC 20220

For further information you may contact the Licensing Division at 202-622-2480 or by FAX: 202-622-0447.

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