

Second Nuclear Certification to Congress Confirms Iran's Continued Compliance but Raises Questions about Future of JCPOA

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The Trump Administration submitted its second certification to Congress regarding Iranian compliance with the Joint Comprehensive Plan of Action (the "JCPOA") on July 17, 2017. Like the Administration's [first certification](#) made in April 2017, it continued to focus more on Iran's "malign activities" outside the nuclear context than on Iran's compliance with its JCPOA commitments. In a [press release](#) announcing new Iran-related designations, the State Department confirmed that it had communicated to the U.S. Congress that the United States will continue to comply with its commitments under the JCPOA, including by continuing to waive sanctions as required to implement such commitments, and certified that Iran remains in compliance with its JCPOA commitments. Such certifications are required not less than every 90 calendar days by the Iran Nuclear Agreement Review Act of 2015 ("INARA"), as described in greater detail in our [prior memo on INARA](#).

The second certification was made despite the fact that, according to the State Department's press release, the "United States remains deeply concerned about Iran's malign activities across the Middle East," its continued support for terrorism, its testing and development of ballistic missiles, and its "egregious human rights record." The State Department further noted that such activities are inconsistent with the regional and international peace and security that was intended to emerge from the JCPOA. As we [previously described](#), the Trump administration is currently conducting a full review of U.S. policy toward Iran to determine whether the continued suspension of certain Iran sanctions pursuant to the JCPOA is in the national security interests of the United States. The State Department did not indicate when it will complete this review.

Iran-Related Designations

In addition, on July 18, 2017, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated 16 entities and individuals pursuant to Executive Order ("E.O.") 13382, which targets proliferators of weapons of mass destruction and their supporters, and E.O. 13581, which targets transnational criminal organizations. According to OFAC, sanctions were imposed on these designees for supporting Iran's military procurement or the Islamic Revolutionary Guard Corps ("IRGC") and for orchestrating the theft of U.S. and western software programs which, at times, were sold to the Government of Iran. Additionally, the U.S. Department of State designated two entities pursuant to E.O. 13382 for engaging or attempting to engage in activities involving Iran's ballistic missile program. Identifying information and aliases for the designated individuals and entities are available on [OFAC's website](#) and related [press release](#), and the State Department [press release](#).

As a result of these actions, any property or interests in property of the designated persons in the possession or control of U.S. persons or within the United States must be blocked, and U.S. persons are generally prohibited from doing business with them.

Treasury Secretary Steven Mnuchin [stated](#) that these designations "send a strong signal that the United States cannot and will not tolerate Iran's provocative and destabilizing behavior. [The Administration] will continue to target the IRGC and pressure Iran to cease its ballistic missile program and malign activities in the region."

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

John B. Reynolds III

+1 202 962 7143

john.reynolds@davispolk.com

Will Schisa

+1 202 962 7129

will.schisa@davispolk.com

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