

Implementation of Joint Plan of Action for Containing Iran's Nuclear Program

January 24, 2014 | Client Update | 2-minute read

The permanent members of the United Nations Security Council, plus Germany (the "P5+1"), announced on January 20 that they are beginning to implement the November 24, 2013 Joint Plan of Action (the "JPOA") for containing Iran's nuclear program. Accordingly, the United States Government (the "USG") has agreed that non-U.S. persons (other than foreign companies owned or controlled by U.S. persons) that engage in certain transactions initiated and completed between January 20 and July 20, 2014 (the "JPOA Period") relating to Iran's petrochemical and automotive sectors, trade in gold and precious metals, exports of crude oil, and supply and installation of certain spare parts and services for civil aircraft will not be targeted for secondary sanctions under U.S. law. The announced U.S. policies have almost no impact on persons subject to the Iranian Transactions and Sanctions Regulations ("ITSR"), including U.S. persons and their foreign subsidiaries, although such persons may seek licenses to sell and export parts or services for the safety of civil aviation in Iran.

The six-month relaxation period can be extended by agreement of the parties, but can also be terminated before July 20 in the event of Iran's non-compliance with the JPOA. In addition, the USG will participate in the establishment of a channel to facilitate humanitarian trade for Iranian domestic needs using oil revenues held abroad. Also under the JPOA, approximately \$4.2 billion of Iranian funds blocked in accounts in third countries will be released to Iran. The scope and limitations of the temporary relief from secondary sanctions is discussed below.

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.

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