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Senate Votes Unanimously to Extend Iran Sanctions Act

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On Thursday, December 1, the United States Senate voted 99-0 in favor of the Iran Sanctions Extension Act (**H.R. 6297**), which renews the Iran Sanctions Act of 1996 (**Public Law 104–172**; **50 U.S.C. 1701** note) until December 31, 2026. (Prior renewals of the statute have each been for five years rather than 10.) The unanimous Senate vote follows the House's passage of the bill on November 15 by a margin of 419-1. The Iran Sanctions Act is due to expire on December 31, 2016 unless extended. The Obama Administration has **expressed its view** that an extension of the Iran Sanctions Act is not necessary, but has not threatened a veto.

As discussed in our prior memoranda dated **August 11, 2015**, **January 20, 2016**, and **November 30, 2016**, under the Joint Comprehensive Plan of Action ("JCPOA") agreed to on July 14, 2015, the United States committed to cease the application of certain sanctions imposed by the Iran Sanctions Act. This is currently accomplished by the President's waiver of these sanctions, which include measures targeting Iran's energy and petrochemicals industries. The new bill contains the same presidential waiver authority as the existing statute, and does not preclude the next President from continuing to waive the sanctions whose waiver is required for the United States' compliance with the JCPOA. Although President-elect Trump has expressed strong doubts about the JCPOA and its concessions to Iran, it remains to be seen how he will approach the agreement in the face of the political and diplomatic constraints discussed in our November 30 memorandum.

Under the JCPOA, the United States has also committed to "seek… legislative action" to terminate the waived Iran Sanctions Act sanctions on "Transition Day" (October 18, 2023, or the date on which the IAEA reports that "all nuclear material in Iran remains in peaceful activities," whichever is earlier). Extending the Iran Sanctions Act past Transition Day by such dominant margins in Congress signals that lawmakers are, at best, deeply skeptical of the wisdom of such a termination. Iran's Supreme Leader Ayatollah Khamenei and other senior members of Iran's leadership have **voiced** their **opinions** that a 10-year extension of the Iran Sanctions Act (and particularly any implementation of the extended sanctions) would violate the JCPOA, and have vowed a **reaction**, reportedly including increasing the rate at which Iran enriches uranium.

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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