

President Trump Withdraws from Iran Deal, U.S. Sanctions to “Snap Back” After Limited Wind-down Period

May 9, 2018 | Client Update

On May 8, 2018, President Trump [announced](#) that he was terminating the United States' participation in the Joint Comprehensive Plan of Action (“JCPOA”) with Iran and issued a [National Security Presidential Memorandum](#) (“NSPM”) directing his administration to immediately begin the process of fully re-imposing sanctions that target critical sectors of Iran's economy, including the energy, petrochemical, and financial sectors. Depending on the particular sanctions measure, the United States will provide either a 90-day or 180-day period in which activities permitted under or consistent with the JCPOA can be wound down. Following the conclusion of the applicable wind-down period, persons engaged in such activities involving Iran will face exposure to secondary sanctions or enforcement actions under U.S. law. After November 4, 2018, all U.S. sanctions (both primary and secondary) that had been [waived or lifted under the JCPOA](#) are expected to be re-imposed and in full effect, though it remains to be seen how vigorously the U.S. government will implement secondary sanctions targeting foreign companies that continue to do business with Iran after that date.

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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