

## Iran sanctions will take six months to be fully effective

Fresh sanctions targeting Iran will take up to six months to take full effect, administration officials said on Tuesday, hours after President Donald Trump announced his decision to unilaterally withdraw the U.S. from the multilateral nuclear deal with Tehran.

Mr. Trump's decision drew sharp criticism from Democrats, led by former President Barack Obama, while the Republicans largely cheered the move. "[T]he consistent flouting of agreements that our country is a party to risks eroding America's credibility, and puts us at odds with the world's major powers," Mr. Obama said in a statement.

Mr. Trump has directed the administration to reimpose sanctions that were lifted by the Joint Comprehensive Plan of Action (JCPOA).

Sectors such as financial and banking, underwriting services, insurance, energy and petrochemical sectors, shipping and shipbuilding sectors and port operators got sanctions relief under the deal. The U.S. had also removed over 400 Iranian individuals and entities — such as Iran's Central Bank — from the List of Specially Designated Nationals and Blocked Persons.

However, secondary sanctions against 200 individuals and entities such as the Islamic Revolutionary Guard Corps had remained. The U.S. domestic trade embargo on Iran had continued. And with limited exceptions, U.S. persons and companies are still broadly prohibited from engaging in transactions or dealings with Iran or its government.

### 90-day period

All the relief Iran got after the deal would be reversed, according to a senior State Department official. "There's going to be one period for wind-down that lasts... 90 days, and one period of wind-down that lasts six months," the official said.

"[W]e're providing a six-month wind-down for energy-related sanctions. So that's oil, petroleum, petrochemicals, and then all of the ancillary sanctions that are associated with that... Everything else is going to have a 90-day wind-down".

The blacklist of individuals and entities will be gradually restored in a "coherent way" the official said.

Corey Hinderstein, who led the Department of Energy's Iran Task Force, responsible for the implementation of the JCPOA, told *The Hindu* the fate of the deal after the U.S.'s exit is "complicated." "Companies in business with Iran are getting up to six months to wind up their operations. But one has to see how European countries and companies respond in the face of American secondary sanctions," she said.

"American primary sanctions largely remained intact even after the JCPOA. The deal largely removed secondary sanctions. Licenses given to Boeing and Airbus to sell planes and parts to Iran after the JCPOA would now be terminated after America's exit from the deal, according to the U.S. Treasury Department," she said.

Secondary sanctions apply to companies that want to have business with the U.S., she added. "If a company has operations with Iran and doesn't want business or banking relations with the U.S., secondary sanctions may have little impact on it."

Many European companies that started businesses with Iran after the JCPOA have kept those operations as separate entities in the hope of escaping American sanctions, but the effectiveness of that measure will be tested in the coming days.

### **National interest**

“Remaining in the agreement was very clearly in the U.S. national interest. It’s hard to predict what will unfold from here, but the President has driven a deep wedge between the U.S. and our allies in Europe and has withdrawn from the process that would allow a comprehensive investigation of the Iran archives recently revealed by Israel,” Earnest J. Moiz, co-chair and CEO of the Washington-based Nuclear Threat Initiative (NTI), said in a statement.

In a point by point rebuttal of Mr. Trump’s criticism of the deal, Mr. Obama said in his statement: “[T]he JCPOA does not rely on trust — it is rooted in the most far-reaching inspections and verification regime ever negotiated in an arms control deal... Iran is complying with the JCPOA. That was not simply the view of my Administration... the JCPOA does not expire (as Mr. Trump has said).”

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com