

Iran Sanctions Overview

Background

The Department of Treasury, Office of Foreign Assets Control (OFAC) broadly regulates and restricts transactions with embargoed countries including certain academic collaborations and exchange of research materials and equipment. The most comprehensive controls apply to: Cuba, Iran, North Korea, Sudan and Syria. The regulations are country specific. This overview of selected prohibited transactions and exemptions focuses on OFAC regulations regarding transactions with Iran, specifically the Iranian Transactions and Sanctions Regulations (31 CFR Part 560).

Penalties

Penalties can apply to the **individual**, the institution or both. Criminal penalties may result in fines of up to \$1 million per violation and up to 20 years in jail for natural persons. Civil penalties may also be imposed, in an amount up to \$250,000 or an amount equal to twice the amount that is the basis of the violation.

Who this applies to

OFAC regulations apply to U.S. persons. The term *United States person* means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States. See 31 CFR §560.314.

The regulations apply to United States citizens and permanent residents *wherever located*, and to foreign nationals located inside the United States (and in some cases, to foreign nationals outside the U.S. See 31 CFR §560.205 and 560.420).

OFAC

OFAC's website provides information about the Iran Sanctions program, including sanctions brochures, advisories, and Frequently Asked Questions, which can be found at: <http://www.treasury.gov/resource-center/sanctions/Programs/pages/iran.aspx>

PROHIBITED TRANSACTIONS OVERVIEW

Action	Detail	Regulatory reference
Prohibited importation of goods or services from Iran	Except as otherwise authorized (e.g., pursuant to a license issued by OFAC), importation into the United States of any goods or services of Iranian origin or owned or controlled by the Government of Iran, other than information and informational materials is prohibited. An example might be: <ul style="list-style-type: none">Accepting samples shipped from Iran for testing or analysis;	See § 560.201
Prohibited exportation, reexportation, sale or supply of goods, technology, or services to Iran	"Services" is broadly construed to mean providing anything of value, even if no money is exchanged. Examples might be: <ul style="list-style-type: none">Providing technical assistance to an Iranian national in Iran or an Iranian institutionProviding unpublished data or research results to a person or institution in IranTeaching or lecturing as a guest of an institution in IranConducting surveys and interviews inside Iran	See § 560.204; §560.410

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PROHIBITED TRANSACTIONS OVERVIEW

Action	Detail	Regulatory reference
<p>Prohibited transactions involving blocked property or with Specially Designated Nationals (SDN) & other Restricted Parties</p>	<p>OFAC and other government agencies involved in export controls maintain lists of individuals and entities with whom U.S. persons are prohibited from conducting transactions. The restriction on transacting with SDNs and other restricted parties applies broadly – i.e., not only to transactions involving Iran. Note the list is updated by the government daily. For the most recent information contact Export Control or refer to the consolidated screening list: http://export.gov/ecr/eg_main_023148.asp</p> <p>The campus also has access to Visual Compliance software which can be used for screening. It is easy to use and does not cost anything. For access to Visual Compliance contact the Export Control Officer.</p>	<p>OFAC has a searchable SDN site: http://sdnsearch.ofac.treas.gov/.</p> <p>See also §560.211, Prohibited transactions involving blocked property.</p>
<p>Facilitation of transactions with Iran or attempted evasion of the regulations.</p>	<p>U.S. persons are prohibited from approving, financing, facilitating or guaranteeing transactions by a foreign person that would be prohibited by the regulations if performed by a United States person or from within the United States.</p> <p>U.S. persons and persons within the United States are prohibited from transactions that evade or avoid, or have the purpose of evading or avoiding, or attempt to violate the regulations.</p>	<p>See § 560.208; § 560.417;</p> <p>And § 560.203</p>

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EXEMPTIONS/AUTHORIZATIONS OVERVIEW

Action	Detail	Regulatory reference
Information or informational materials	<p>The prohibitions of Part 560 do not apply to the importation from any country and the exportation to any country of information and informational materials as defined in §560.315, whether commercial or otherwise, regardless of format or medium of transmission.</p> <p><i>Information and informational materials</i> includes: Publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds.</p> <p>This exemption does not apply to information and informational materials not fully created and in existence at the date of the transactions, or to the substantive or artistic alteration or enhancement of informational materials or to the provision of marketing and business consulting services.</p> <p>This exemption also does not apply to transactions incident to export of software subject to the Export Administration Regulations, 15 CFR parts 730 through 774, or to the export of goods for use in transmission of data (but certain such transactions may be authorized pursuant to an OFAC general license).</p>	<p>See § 560.210 (c) Exempt transactions</p> <p>See §560.315.</p> <p>See § 560.540</p>
Peer review & publishing activities	<p>U.S. persons are authorized (subject to certain restrictions) to engage in transactions “necessary and ordinarily incident to” the publishing and marketing of manuscripts, books, journals and newspapers. This includes collaborating on the creation and enhancement of written publications, and substantive editing of written publications.</p> <p>This exemption does not apply if one of the parties to the transaction is the Government of Iran (a term that does not for the purpose of this section include academic and research institutions and their personnel).</p>	<p>See § 560.538 Authorized Transactions Necessary and Ordinarily Incident to Publishing</p>
Personal communications	<p>The prohibitions of Part 560 do not apply to any postal, telegraphic, telephonic, or other personal communication, which does not involve the transfer of anything of value.</p> <p>There is also a general license that authorizes export of certain services, software and hardware incident to personal communications.</p>	<p>See § 560.210(a). Exempt transactions</p> <p>See General License D-1. 79 Fed. Reg. 13736 (March 11, 2014)</p>

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EXEMPTIONS/AUTHORIZATIONS OVERVIEW (CONTINUED)

Action	Detail	Regulatory reference
Transfers of funds involving Iran.	Payments to or from Iran are authorized if the payment arises from and is necessary to give effect to an underlying transaction that is authorized by OFAC and if the payment does not involve debiting or crediting an Iranian account or involve an individual or entity (such as a bank) on a government restricted party list (see Prohibited Transactions).	See § 560.516
Travel	The prohibitions contained in Part 560 do not apply to transactions ordinarily incident to travel to or from Iran, including importation or exportation of accompanied baggage for personal use, maintenance within any country including payment of living expenses and acquisition of goods or services for personal use, and arrangement or facilitation of such travel including nonscheduled air, sea, or land voyages.	See § 560.210(d). Exempt transactions See also 560.524. Household goods and personal effects.
Services related to conferences in the U.S. or in third countries	Authorizes import and export of certain services for a person ordinarily resident in Iran where those services are directly related to the person's participation in a public conference, performance, exhibition or similar event, as well as services directly related to sponsorship by a U.S. person of a public conference or event in a third country that is attended by persons ordinarily resident in Iran, provided that participation in the event is open to the public and not tailored in whole or in part for Iran or persons ordinarily resident in Iran. Exemption does not apply to the Government of Iran, an Iranian financial institution, or any other person whose property and interests are blocked pursuant to §560.211.	See § 560.554

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EXEMPTIONS/AUTHORIZATIONS OVERVIEW (CONTINUED)

Action	Detail	Regulatory reference
<p>Certain Academic Exchanges and the Exportation or Importation of certain Educational Services</p>	<p>Authorizes U.S. academic institutions, including their contractors to enter into academic exchange agreements with Iranian universities;</p> <p>Authorizes U.S. academic institutions, including their contractors to export services:</p> <ul style="list-style-type: none"> • In connection with the filing and processing applications and acceptance of payments for submitted applications and tuition from or on behalf of for students in Iran or ordinarily resident in Iran; • Related to the recruitment, hiring, or employment of faculty located in Iran or ordinarily resident in Iran; • To individuals in Iran or ordinarily resident in Iran to sign up for online undergraduate courses (including MOOCs) in the humanities, social sciences, law, or business, or introductory level science and engineering courses “ordinarily required for the completion of undergraduate degree programs;” <p>Authorizes U.S. persons to take undergraduate courses or conduct undergraduate academic research in Iran.</p> <p>Authorizes U.S. persons to take graduate courses in humanities, social sciences, law, or business or conduct graduate level academic research in the humanities, social sciences, law, or business in Iran;</p> <p>Authorizes U.S. persons to export services to Iran for activities such as combating illiteracy and increasing access to education; and</p> <p>Authorizes U.S. persons to administer college entrance exams or professional certificate exams in Iran.</p> <p>None of these authorized services can be provided to blocked persons or SDN’s (see above prohibited transactions). For distance learning, there should be a case-by-case determination about engineering and science courses as to whether they fit the parameters allowed by OFAC (i.e. “ordinarily required” for undergraduate programs).</p>	<p>See 31 CFR §560 General License G</p>
<p>Activities and services related to certain nonimmigrant and immigrant categories Activities and services related to certain</p>	<p>Authorizes persons eligible for certain visa categories (including F and J visas) to carry out in the United States those activities for which such a visa has been granted.</p> <p>Authorizes U.S. persons to export services to Iran in connection with the filing of an individual's application for certain non-immigrant visa categories.</p>	<p>See § 560.505 See § 560.505</p>

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nonimmigrant and immigrant categories (Continued from above)	Authorizes the release of technology or software to students ordinarily resident in Iran who are attending school in the United States as authorized, provided that all of the following requirements are met: (1) Such release is ordinarily incident and necessary to the educational program in which the student is enrolled; (2) The technology or software being released is designated as EAR99 under the Export Administration Regulations, 15 CFR parts 730 through 774 (the “EAR”), or constitutes Educational Information not subject to the EAR, as set forth in 15 CFR 734.9; (3) The release does not otherwise require a license from the Department of Commerce; and (4) The student to whom the release is made is not enrolled in school or participating in the educational program as an agent, employee, or contractor of the Government of Iran or a business entity or other organization in Iran.	(Continued from above)
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Don't

- Provide to Iranian nationals that reside in Iran or to Iranian institutions technical assistance or analysis that would constitute a “service” without an OFAC license.
- Travel to Iran and bring anything other than personal belongings (note that if personal belongings include a controlled item, the item would still require a license) or equipment covered by an OFAC license. University owned equipment or material may require a specific export license.
- Import from Iran or Export to Iran (apart from personal items you bring for personal use during travel) anything outside of informational materials humanitarian donations without an OFAC license See § 560.315.
- Transfer funds to Iranian financial institution or to an individual or entity on one of the government restricted party lists.

SUMMARY

OFAC publishes some country-specific guidance on regulatory interpretation, but such guidance is not comprehensive. The Iranian Sanctions are updated frequently through publications to the Federal Register. If you are contemplating a collaboration with or research in Iran there may be licensing requirements. Licensing for Iran may take months to obtain approval and shipments or research timelines may be impacted.

UCCS Export Control Officer will assist with your OFAC questions, with license applications and advisory opinions.

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