



ALERT

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Trump Announces New Iran Strategy, Decertifies Iran's Compliance with Iran Nuclear Deal

On Friday, October 13, 2017, President Trump announced that he would not certify that the suspension of sanctions pursuant to the Joint Comprehensive Plan of Action ("JCPOA") (commonly known as the Iran Nuclear Deal) is "appropriate and proportional" to U.S. national security interests. He announced that this was part of a new Iran strategy that is intended to counter Iran's state-sponsored terrorism, development and proliferation of ballistic missile technology, and other activities that threaten regional stability.

The failure to certify compliance to Congress does not automatically reinstate any of the sanctions measures against Iran that were eased when the JCPOA was implemented. Accordingly, the United States continues to waive secondary sanctions and authorize, through General License H, U.S.-owned or controlled foreign subsidiaries to conduct certain business activity with Iran, subject to specified conditions. Indeed, the Trump Administration has indicated that Iran remains in "technical compliance" with the JCPOA, and has thus far declined to reimpose sanctions through executive authority.

Pursuant to the Iran Nuclear Agreement Review Act, Congress now has a 60-calendar-day period in which it may: (i) pass legislation reimposing sanctions that have been waived, suspended, or otherwise eased under the JCPOA; (ii) pass legislation designed to implement new mandatory triggers for the reimposition of sanctions subject to specified pre-conditions; or (iii) opt to do nothing. In his remarks on the Iran strategy, President Trump stated, "[I]n the event we are not able to reach a solution working with Congress and our allies, then the agreement will be terminated. It is under continuous review, and our participation can be cancelled by me, as President, at any time."

Although there are no immediate changes to the U.S. sanctions on Iran, the President's announcement increases the risk that U.S. sanctions relief may be rolled back in the near future. Entities conducting business under General License H or subject to the waived secondary sanctions, therefore, should consider how Congressional action could affect their operations, proceed with caution, and ensure that they are prepared in the event U.S. sanctions are reimposed.

Jones Day will continue to monitor developments with the announced Iran strategy and update readers accordingly.

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