



US Government Imposes Additional Sanctions on Iran Targeting Specially Designated Nationals and Expanding Secondary Sanctions Over New Industry Sectors

JANUARY 13, 2020 by **ALISON J. STAFFORD POWELL**, **LISE S. TEST** AND **DANIEL ANDREEFF** - 3 MINS READ



The United States has imposed additional sanctions on Iran in the wake of Iran's missile strike on military bases in Iraq. On January 10, 2020, the US Treasury Department's Office of Foreign Assets Control ("OFAC") announced that it had added 8 senior Iranian government officials and 17 Iranian metals producers and mining companies to the Specially Designated Nationals and Blocked Persons List ("SDN List"). Concurrently, President Trump issued a new **Executive Order**, "Executive Order on Imposing Sanctions with Respect to Additional Sectors of Iran" (the "Order"), authorizing the imposition of secondary sanctions on certain transactions involving the construction, mining, manufacturing, and textiles sectors of the Iranian economy.

The 8 senior Iranian government officials were targeted for their involvement and complicity in Iran's ballistic missile strikes on US bases in Iraq on January 7, 2019 and include the Secretary of Iran's Supreme National Security Council, the Deputy Chief of Staff of the Iranian armed forces, and the head of the Basij militia of the Islamic Revolutionary Guards Corps. In addition, in an effort to constrain Iranian sources of revenue used to fund and support its nuclear program, missile development, and terrorism activities, OFAC has designated as SDNs Iran's largest steel, aluminum, copper, and iron manufacturers and 17 Iranian metals producers and mining companies. A network of China- and Seychelles-based entities and a vessel involved in the Iranian metals trade were also designated in the same action. A list of the newly designated parties can be reviewed [here](#).

The Order authorizes sanctions on, among others, persons (i) operating in the construction, mining, manufacturing, and textiles sectors of the Iranian economy; (ii) who have knowingly engaged in a "significant transaction" for the sale, supply, or transfer to or from Iran of significant goods or services used in connection with those sectors; and persons (iii) who materially assist, sponsor, or provide financial, material, or technological

support for, or goods or services to or in support of, any person designated under the Order. The Order also authorizes correspondent or payable-through account sanctions on foreign financial institutions which “knowingly conducted or facilitated any significant financial transaction” involving the activities targeted by the Order.

The secondary sanctions authorized by the Order may be imposed on any non-US person engaging in the targeted activities in connection with the Iranian construction, mining, manufacturing, and textiles sectors. The targeting of the “manufacturing sector” as an apparent standalone sector is notable as it has the potential to target a wide range of non-US company and financial institution dealings with Iran. The Order does not define the scope of the “manufacturing” sector for the purposes of these sanctions, although further guidance may help to clarify this. The Order provides a key exception to these new secondary sanctions for persons conducting or facilitating transactions for the provision (including sale) of agricultural commodities, food, medicine, or medical devices to Iran.

Please see our prior blog posts on the recent sanctions imposed on the Iranian construction sector and metals industry [here](#), and on the iron, steel, aluminum, and copper sectors of Iran [here](#).

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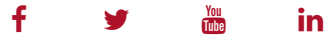
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