

E-ALERT | International Trade Controls

August 14, 2012

THE UNITED STATES IMPOSES SIGNIFICANT NEW SANCTIONS AGAINST IRAN

On August 10, 2012, the President signed into law the [Iran Threat Reduction and Syria Human Rights Act of 2012](#) (the "ITRA"). Among its main provisions, the ITRA (i) amends the Iran Sanctions Act of 1996 ("ISA"), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 ("CISADA"), and the National Defense Authorization Act for Fiscal Year 2012 ("NDAA") to expand existing sanctions and add new unilateral sanctions against Iran; (ii) codifies existing sanctions that had been imposed by Executive Order and adds new sanctions against Iran that go beyond the existing statutory framework; (iii) imposes civil liability on U.S. parent companies for actions by their non-U.S. subsidiaries that would violate the Iran sanctions if performed by the U.S. parent or from the United States; (iv) mandates that any company required to file annual or quarterly reports with the Securities and Exchange Commission ("SEC") disclose in such reports specified activities involving Iran; (v) codifies and expands sanctions against Iranian and Syrian violators of human rights; and (vi) requires various reports from the executive branch and the Government Accounting Office ("GAO") regarding Iran.

President Obama's signature of the ITRA followed closely on the heels of his issuance, on July 31, 2012, of [Executive Order 13622](#) ("the Executive Order") authorizing additional sanctions against Iran. Those sanctions were effective immediately. The Executive Order is broader than the ITRA in that it expands sanctions against foreign financial institutions that knowingly engage in or facilitate any significant financial transaction with the National Iranian Oil Company ("NIOC") or Naftiran Intertrade Company ("NICO") and against any person, including any financial institution, that knowingly engages in significant transactions for the purchase of petroleum or petrochemical products from Iran. These sanctions apply only if the President determines that global petroleum supplies are sufficient, and only to countries that have not received an NDAA exception. The Executive Order also authorizes the Secretary of the Treasury to block the property of (and prohibit donations of food, clothing, and medicine to) persons found to have provided material technological or financial support for, or goods or services to, NIOC, NICO, or the Central Bank of Iran ("CBI"), or to have assisted Iran in purchasing U.S. bank notes or precious metals.

Together, the two measures significantly ratchet up and broaden the reach of U.S. unilateral sanctions against Iran, especially regarding the Iranian energy sector.

I. GENERAL PROVISIONS

- **The ITRA expands the number of ISA sanctions available to the President and requires the imposition of more of them if sanctionable conduct is found.** For various sanctionable activities, the ISA currently requires the President to impose 3 or more of 9 sanctions. The ITRA adds 3 new sanctions to the list, authorizing the President (i) to prohibit U.S. persons from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person; (ii) to ban visits to the United States by aliens who are corporate officers, principals, or controlling shareholders of a sanctioned person; and (iii) to apply ISA sanctions, including the blocking of assets, against the principal executive officers of a sanctioned person. For conduct undertaken

after enactment, the ITRA also requires the President to select at least 5 of the 12 sanctions now available. [§ 204]

- **The ITRA modifies the waiver provisions of the ISA.** Currently the ISA allows the President to waive sanctions if “necessary to the national interest.” The ITRA amends the ISA to authorize waiver of energy-related sanctions only if the President determines and reports to Congress that it is “essential to the national security interests” of the U.S. Waivers of sanctions related to weapons of mass destruction (“WMD”) are allowed only if “vital to the national security interests” of the U.S. ISA waivers were previously permanent, but will now be for renewable one-year periods, and expressly case-by-case. [§ 205]
- **The ITRA adopts certain key definitions.** The ITRA defines “*financial transaction*” broadly as any transfer of value involving a financial institution—including transfers of forwards, swaps, futures, options, or precious metals. The ISA calls for the President to open an investigation upon receiving credible information about any sanctionable activities. The ITRA provides that “*credible information*” includes any public admission by a person, and any information in a report to stockholders. The President may treat as credible an announcement by the government of Iran, or information in a report by the GAO, Energy Information Administration (“EIA”), Congressional Research Service, or similarly reputable organization. The ITRA also includes a broad definition of “*services*,” and codifies the definition of “*petrochemical products*” set forth in Executive Order 13590 of November 2011, discussed in our [November 22, 2011 E-Alert](#). [§§ 2 & 207]

II. NON-U.S. SUBSIDIARIES OF U.S. PARENTS

- **The ITRA imposes civil liability on U.S. parents for actions of non-U.S. subsidiaries.** The ITRA requires the President, within 60 days of enactment, to prohibit non-U.S. entities owned or controlled by U.S. persons from knowingly engaging in any transaction with the government of Iran, or with a person subject to Iran’s jurisdiction, that would be prohibited if performed by a U.S. person or in the United States. The ITRA defines “own or control” to mean holding an equity interest of more than 50 percent by vote or value; holding a majority of director seats; or otherwise controlling the actions, policies, or personnel of the foreign entity. The U.S. parent with ownership or control of an entity that violates this provision will be liable for the standard penalties for sanctions violations: civil monetary penalties of up to \$250,000 per violation or twice the value of the transaction, whichever is greater. Until now, subject to local law and prohibitions on reexports of certain U.S.-origin or U.S.-content items, foreign subsidiaries of U.S. parent firms have generally been free to engage in Iran trade without involvement by U.S. persons, and their U.S. parent firms have not been liable unless the parent supported, approved, or otherwise facilitated actions by the non-U.S. subsidiaries that would be prohibited as to U.S. persons. By imposing civil liability even in the absence of facilitation, this provision significantly expands the exposure of U.S. parent companies for the activities of their non-U.S. subsidiaries involving Iran. No criminal liability applies, however, and there is a safe harbor for U.S. parents that divest or terminate business with the non-U.S. entity within 180 days of enactment. The prohibition will not take effect until implemented by the Administration, presumably through regulations of the Office of Foreign Assets Control or by executive order. [§ 218]

III. NEW DISCLOSURES BY SEC-REPORTING COMPANIES

- **The ITRA requires issuers that file periodic reports with the SEC under the Securities Exchange Act of 1934 to disclose specified activities involving Iran.** Any issuer that must file an annual or quarterly report with the SEC—presumably including foreign private issuers that file only annual reports—will be required to disclose in any such report certain activities involving Iran that occur during the period covered by the report. Specifically, reports must disclose the nature and extent

of any activities knowingly engaged in by the issuer or any affiliate (i) relating to Iran’s energy sector, as described in ISA Section 5; (ii) relating to financial institutions that facilitate WMD, terrorism, money laundering, and other violations, as described in CISADA Section 104(c)(2) or (d)(1); (iii) relating to the transfer of weapons and technology used in human rights abuses, as described in CISADA Section 105A(b)(2); (iv) involving transactions with persons whose property is blocked pursuant to Executive Orders regarding terrorism or WMD; or (v) involving transactions with the government of Iran, or any entity owned or controlled by the government or acting on its behalf, without specific authorization from the U.S. government. Any such required disclosure must also include the gross revenues and net profits attributable to any reported activity and “whether the issuer or the affiliate of the issuer . . . intends to continue the activity.” This requirement applies to reports to be filed beginning 180 days after enactment of the ITRA. Any issuer making a required disclosure under the ITRA must separately file a notice of disclosure with the SEC. Upon receipt of such notice, the SEC must transmit the relevant periodic report to the President and Congress and “make the information provided in the disclosure and the notice available to the public by posting the information on the Internet.” Upon receiving such a report, the President must open an investigation and determine within 180 days whether to impose sanctions against the issuer or affiliate. [§ 219]

IV. PETROLEUM AND PETROCHEMICALS

Under the ISA, as amended by CISADA, it is sanctionable for persons to make an investment or a combination of investments (of more than certain threshold amounts) that directly and significantly contributes to the enhancement of Iran’s ability to develop petroleum resources in Iran. It also is sanctionable to provide to Iran above certain dollar thresholds refined petroleum products, or to sell, lease, or provide to Iran, above certain dollar thresholds, goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of Iran’s domestic production of refined petroleum products, or contribute to the enhancement of Iran’s ability to import refined petroleum products.

- **The ITRA expands the ISA sanctions against persons who engage in specific activities supporting Iran’s refined petroleum sector.** The ITRA extends ISA sanctions to persons who knowingly enhance Iran’s ability to import refined petroleum products by (i) bartering goods for goods, or insuring such exchanges; or (ii) purchasing, subscribing to, or facilitating the issuance of sovereign debt after the date of enactment. There remains a *de minimis* exception for any single transaction whose fair market value is less than \$1 million, or for multiple transactions whose aggregate value in a 12-month period is less than \$5 million. Also intact is the exception for insurers and underwriters that the President finds exercised due diligence to avoid engaging in these activities. [§ 201]
- **The ITRA extends ISA sanctions to persons who contribute to the development of infrastructure that supports the delivery of refined petroleum in Iran.** The ITRA expands the scope of sanctionable activity by expressly providing that sanctions will apply to persons to who provide direct and significant assistance with respect to the construction, modernization, or repair not only of petroleum refineries themselves, but also of directly associated infrastructure, including port facilities, railways, and roads. There are minimum thresholds of \$1 million for any single transaction, and \$5 million for any series of transactions within 12 months. [§ 201]
- **The ITRA codifies existing sanctions regarding persons who facilitate the development of petroleum resources and the production of petrochemical products in Iran.** The ITRA codifies, as part of the ISA, existing sanctions against persons who provide goods, services, technology or support that could contribute to the maintenance or expansion of Iran’s domestic petroleum and petrochemical sectors. These sanctions were initially adopted in Executive Order 13590; for details, see our [November 22, 2011 E-Alert](#). [§ 201]

- **The ITRA expands ISA sanctions to target participation in petroleum joint ventures with Iran, anywhere in the world.** The ITRA requires the President to impose sanctions against persons who knowingly participate in a joint venture to develop petroleum resources outside of Iran where the government of Iran is a substantial partner or investor, or where Iran could receive knowledge or equipment not already available to it that would enhance its ability to develop domestic petroleum resources. The sanction applies only to joint ventures established after January 1, 2002, however, and there is an exception for those terminated within 180 days of enactment. [§ 201]
- **The ITRA amends the ISA to impose sanctions relating to the transportation of crude oil from Iran.** The ITRA imposes ISA sanctions against any person that owns, controls, operates, or insures—or is the controlling beneficial owner of—a vessel used to transport crude oil from Iran to another country. This provision applies to shipments taking place 90 days or more after enactment. There is an exception for insurers and underwriters that the President finds have exercised due diligence. Sanctions will be imposed only if the President has determined, under Section 1245(d) of the NDAA, that there is a sufficient global supply of petroleum to permit a significant reduction in purchases from Iran. Also, there is an exception for transportation of crude oil from Iran to a country that the President determines, again pursuant to NDAA Section 1245(d), has significantly reduced crude oil purchases from Iran.¹ For details regarding the NDAA’s determination and exception provisions, see our [January 4, 2012 E-Alert](#). [§ 202]
- **The ITRA amends the ISA to impose sanctions on shipping companies that evade sanctions.** The ITRA imposes ISA sanctions against any person that owns, controls, operates, or insures—or is the controlling beneficial owner of—a vessel used in a manner that conceals the Iranian origin of crude oil or refined petroleum being carried by the vessel. This includes actions such as permitting the operator to suspend the vessel’s satellite tracking device, or obscuring the fact that the vessel is owned either by the government of Iran or by entities it owns or controls. For beneficial owners, actual knowledge is required, but the ITRA specifies ways of demonstrating actual knowledge of Iranian ownership (including through designations of Iranian-owned vessels on the Treasury Department’s List of Specially Designated Nationals and Blocked Persons). There is an exception for insurers and underwriters that the President finds have exercised due diligence. In addition to the standard ISA sanctions, the President may bar such a vessel from visiting U.S. ports for two years. [§ 202]

The Executive Order authorizes additional sanctions against Iran’s energy sector, distinct from those subsequently enacted in the ITRA.

- **The Executive Order authorizes sanctions related to the purchase of petroleum and petrochemical products from Iran.** Under the Executive Order, the Secretary of State may impose sanctions against a person or entity that knowingly engages in a significant transaction for the purchase from Iran of (i) petroleum or petroleum products, or (ii) petrochemical products. This sanction may also be applied to successors of such entities; to persons who own or control such entities and know of their activities; and to persons owned or controlled by such entities and who knowingly participate in the activities. The sanction regarding purchase of petroleum or petroleum products is subject to the President’s determination under the NDAA regarding global petroleum supplies, and does not apply if the country with primary jurisdiction over the person has been granted an NDAA exception. For petrochemical products, by contrast, no NDAA exceptions apply. The order does not sanction purchases of natural gas because the term “*petroleum products*” excludes natural gas, liquified natural gas, biofuels, methanol, and other

¹ NDAA exceptions have been granted to 20 countries: Belgium, the Czech Republic, France, Germany, Greece, Italy, Japan, the Netherlands, Poland, Spain, the United Kingdom, India, Malaysia, Republic of Korea, South Africa, Sri Lanka, Turkey, Taiwan, China, and Singapore.

non-petroleum fuels. The available sanctions under the order mirror the 9 sanctions available under the ISA prior to its amendment by the ITRA. [E.O. §§ 2-4, 10]

- **The Executive Order authorizes sanctions against entities that support NIOC, NICO, or the CBI.** The Executive Order authorizes the Treasury Department to block the property of any person that materially assists, provides financial or technological support to, or provides goods or services in support of, NIOC, NICO, or the CBI, or that assists in the purchase of U.S. bank notes or precious metals by the government of Iran. [E.O. § 5]

The ITRA and the Executive Order both exempt a major project to develop and transport natural gas from Azerbaijan to Turkey and Europe. Nothing in the ITRA or the Executive Order authorizes the imposition of sanctions against persons who participate in or provide goods or services to the Shah Deniz project to produce and export gas from Azerbaijan to Turkey and Europe, given the strategic importance of promoting their energy security and independence from Russia. [§ 603; E.O. § 6]

V. FINANCE AND INSURANCE

- **The ITRA imposes sanctions on underwriters and insurers providing services to NIOC or the National Iranian Tanker Company (“NITC”).** The ITRA requires the President to impose sanctions against any person that knowingly provides underwriting services, insurance, or reinsurance for NIOC or NITC. There is an exception for underwriters and insurers that the President finds have exercised due diligence. There is also an exception for underwriting and insurance relating solely to the provision of humanitarian assistance, agricultural commodities, food, medicine, or medical devices. This provision does not amend the ISA, but it adopts the ISA’s menu of sanctions, including its waiver and exception provisions. [§ 212]
- **The ITRA imposes sanctions relating to Iran’s sovereign debt.** The ITRA requires the President to impose sanctions against any person that knowingly purchases, subscribes to, or facilitates the issuance of (i) Iranian sovereign debt, including government bonds, or (ii) the debt of any entity owned or controlled by Iran. This provision also adopts by reference the ISA’s menu of sanctions, including its waiver and exception provisions. [§ 213]
- **The ITRA imposes sanctions on significant financial dealings with persons whose property is blocked.** CISADA Section 104 requires the Treasury Secretary to restrict or prohibit correspondent or payable-through accounts in the United States for foreign financial institutions that knowingly facilitate significant transactions for, or provide significant financial services to, any financial institution whose property is blocked because of connections to Iran’s WMD program or support for terrorism. (Other activities described in CISADA Section 104(c)(2) also trigger this sanction, explained in our [June 25, 2010 E-Alert](#).) The ITRA amends CISADA to cover the provision of significant financial services to any *person*—not just to any financial institution—whose property is blocked on such a basis. [§ 215]
- **The ITRA expands CISADA sanctions to cover foreign financial institutions that have significant dealings with a broader range of Iranian banks.** The ITRA extends the CISADA Section 104 sanction to cover the provision of significant financial services not only to designated banks, but also to any foreign financial institution—including Iranian banks not on the designated list—that the Treasury Department finds has knowingly facilitated, or participated or assisted in, one of the activities described in CISADA Section 104, including by acting on behalf of or otherwise assisting another person in the activity. The Treasury Department must report to Congress on the effects of this provision, which extends to foreign financial institutions owned or controlled by sanctioned institutions. Its impact will depend upon the number of Iranian banks that the Treasury Department finds have knowingly assisted in the provision of significant financial services to designated banks, or engaged in other activities described in Section 104 of CISADA. Previously, foreign financial institutions jeopardized access to the U.S. market by providing

significant financial services to designated banks or to Iran’s Revolutionary Guard Corps (“IRGC”). Under the ITRA, foreign financial institutions (and their owned or controlled affiliates) will incur that risk by providing significant services to any Iranian or foreign bank that the Treasury Department finds has *assisted* in significant financial dealings with designated Iranian banks or the IRGC (or has engaged in other activities listed in CISADA Section 104). [§ 216]

- **The ITRA requires a determination as to whether NIOC and NITC are agents or affiliates of the IRGC.** While expressing Congress’s view that NIOC and NITC provide significant support to the IRGC, the ITRA requires the Treasury Department to determine within 45 days of enactment whether NIOC or NITC is an agent or affiliate of the IRGC. If the answer is yes, the ITRA imposes sanctions against foreign financial institutions that knowingly facilitate significant transactions for, or provide significant financial services to, NIOC or NITC. Sanctions with respect to the purchase of petroleum or petroleum products from Iran require the President to determine under the NDAA that there are sufficient global oil supplies, and do not apply if the country with primary jurisdiction over the foreign financial institution has been granted an NDAA exception. A finding that NIOC or NITC is an affiliate of the IRGC will have additional effects under provisions of the ITRA imposing sanctions on entities that engage in any significant transaction with the IRGC or its affiliates (see Part VI). [§ 312]
- **The ITRA authorizes sanctions against entities—such as the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”)—that provide specialized financial messaging services to the CBI or other Iranian banks.** The ITRA praises the European Union (“EU”) for restricting the provision of specialized financial messaging services (including SWIFT) to the CBI and designated Iranian banks, which occurred in March 2012. To maintain this loss of access, the ITRA authorizes sanctions against any person that knowingly provides, enables, or facilitates direct or indirect access to such messaging services for the CBI or designated Iranian banks. There is an exception for service providers that (i) are subject to a similar sanctions regime (such as EU controls), and (ii) have ceased providing such messaging services. The ITRA requires the Treasury Department to report to Congress on providers of specialized financial messaging services for the CBI, designated Iranian banks, or the IRGC and its affiliates. [§ 220]
- **The ITRA expands NDAA sanctions by limiting the scope of NDAA exceptions.** Currently, if an NDAA exception is granted, the statute allows a foreign financial institution from a country with an exception to engage in any transaction with the CBI. The ITRA narrows the range of permissible transactions, such that financial institutions from countries with an NDAA exception will be able to deal with the CBI only for trade in goods and services between the country with primary jurisdiction over the foreign financial institution and Iran, and only where any funds owed to Iran as a result of the trade are credited to an account located in such country. The ITRA also makes clear that reductions in purchases of Iranian petroleum for an NDAA exception may be measured in terms of price or volume (rather than volume alone). [§ 504]
- **The ITRA codifies existing sanctions regarding the government of Iran, CBI, and sanctions evaders.** The legislation codifies sanctions recently imposed through Executive Orders. For discussion of the order blocking property of the government of Iran and Iranian financial institutions, see our [February 9, 2012 E-Alert](#). A second order codified by the ITRA with respect to Iran imposes sanctions against foreign sanctions evaders; for a summary, see our [May 7, 2012 E-Alert](#). The ITRA also requires continuation of existing sanctions against the CBI, including the blocking of its property. [§ 217]

The Executive Order authorizes additional sanctions against foreign financial institutions, distinct from those subsequently enacted in the ITRA.

- **The Executive Order expands sanctions against foreign financial institutions conducting business in Iran’s energy sector.** The order authorizes sanctions against foreign financial institutions that

knowingly conduct or facilitate significant financial transactions (i) with NIOC or NICO (other than transactions that meet the specified *de minimis* thresholds noted above for sales of refined petroleum products to Iran); or (ii) for the purchase or acquisition of petroleum, petroleum products, or petrochemical products from Iran. Correspondent or payable-through accounts in the United States for such financial institutions may be restricted or prohibited. By sanctioning such purchases through any channel, the order is designed to deter use of payment mechanisms that circumvent NDAA oil sanctions. Sanctions with respect to purchases from NIOC or NICO or of petroleum products apply only if the President has made the required NDAA determination regarding the sufficiency of global oil supplies, and only if the country with primary jurisdiction over the financial institution has not been granted an NDAA exception; notably this exception does not apply to purchases of petrochemical products. There are also exceptions for licensed transactions and for transactions for the sale of food, medicine, or medical devices to Iran. As noted in Part IV, the Executive Order separately authorizes sanctions against persons that materially support NIOC or NICO. [E.O. § 1]

VI. PROLIFERATION AND IRAN'S REVOLUTIONARY GUARD CORPS

- **The ITRA blocks the property of persons who provide vessels or shipping services that contribute to Iran's WMD program or support for terrorism.** The ITRA directs the President to block the property of any person who knowingly sells, leases, or provides a vessel—or provides insurance or any other shipping service—for the transportation to Iran of goods that could contribute materially to Iran's WMD program or its support for terrorism. This provision applies not only to an entity that engages in such an activity, but also to any corporate parent (if the parent knew or should have known about the activity) and to any affiliate or subsidiary (if it knowingly participated in the activity). The President may grant a waiver if he finds and reports to Congress that such a step is "vital" to national security. The Treasury Department must report to Congress on operators of vessels and others doing business with designated ports in Iran. [§ 211]
- **The ITRA imposes sanctions on officials, agents, and affiliates of the IRGC.** The ITRA requires the President to identify and designate for sanctions all foreign persons that are officials, agents, or affiliates of the IRGC. The President must give priority to investigating sensitive financial transactions above \$1 million in a year, or involving WMD-related items or Iran's energy sector. Sanctions include exclusion from the United States and blocking of property. A waiver is authorized only if vital to national security. [§ 301]
- **The ITRA imposes sanctions on entities supporting the IRGC or its agents or affiliates.** The ITRA requires the President to identify and impose ISA sanctions on any person that materially assists or engages in a significant transaction with the IRGC or with any of its officials, agents, or affiliates whose property has been blocked under the International Emergency Economic Powers Act. It also imposes sanctions on persons that engage in significant transactions with UN-sanctioned persons (or entities acting on their behalf, or owned or controlled by them). This provision goes beyond other parts of the ITRA in that it applies to all persons (not just financial institutions) and across all sectors (not just the energy sector). [§ 302]
- **The ITRA authorizes sanctions against foreign governments that support the IRGC or UN-sanctioned persons.** The ITRA authorizes the President to take certain measures against foreign government agencies that support or engage in significant transactions with the IRGC or with UN-sanctioned persons. The President also must identify foreign government agencies that are providing such sanctionable support. Sanctions include the denial of financial assistance and export licenses. Congress has thereby extended sanctions beyond the private sector. [§ 303]
- **The ITRA expands the procurement ban against entities that do business with the IRGC or its affiliates.** The ITRA amends the ISA to require every prospective contractor, beginning 120 days after enactment, to certify that neither it nor its subsidiaries have knowingly engaged in a

significant transaction with the IRGC or any of its officials, agents, or affiliates. The penalty for false certifications will increase to a minimum 2-year debarment. A waiver is authorized only if it is “essential” to national security. [§ 311]

- **The ITRA denies visas to Iranian students in the nuclear and energy fields.** The ITRA excludes from the United States students from Iran seeking to enroll in higher education courses to prepare for a career in the nuclear or energy fields in Iran. [§ 501]

VII. HUMAN RIGHTS

- **The ITRA codifies and expands sanctions against human rights violators in Iran and Syria.** The ITRA codifies the Executive Order imposing sanctions against persons complicit in human rights violations involving information or communications technology. For details, see our [April 27, 2012 E-Alert](#). It also imposes or authorizes a range of new measures, including sanctions against (i) entities that supply Iran with equipment and technologies likely to be used in human rights abuses, such as weapons, rubber bullets, tear gas, and jamming, monitoring, or surveillance equipment; and (ii) persons that have engaged in censorship or curtailment of free expression and assembly in Iran. The ITRA also directs the State Department to publish guidelines clarifying which technologies should be considered “sensitive” for purposes of CISADA Section 106, which prohibits U.S. agencies from procuring goods and services from persons that export sensitive technology to Iran, focusing in particular on new jamming and surveillance technologies. It also requires expedited processing of humanitarian and democracy aid to Iran and calls for development of a strategy to promote internet freedom in Iran.

[§§ 401, 402, 403, 411 to 414]

VIII. EXECUTIVE BRANCH AND GAO REPORTS

- **Multilateral diplomacy.** The President must report to Congress on diplomatic efforts to expand multilateral sanctions against Iran. The State Department must report to Congress on U.S. contributions to international organizations in which Iran is a member.
- **Energy sector.** The GAO must report to Congress on foreign investors in Iran’s energy sector and on countries whose refined petroleum is exported to Iran. The President must report to Congress on the volume of crude oil and refined petroleum imported to and exported from Iran; persons and countries involved in such trade; sources of financing for such trade; and foreign persons assisting the development of Iran’s energy sector. The EIA must report to the President and Congress on natural gas exports from Iran; alternative sources for principal purchasers of Iran’s natural gas; and the likely supply and price effects of a reduction in Iran’s natural gas exports. Upon receiving EIA’s study, the President must report to Congress on the likely effectiveness and geostrategic implications of new sanctions against Iran’s natural gas exports.
- **Human rights.** The State Department must report to Congress on the involvement of senior Iranian officials in human rights abuses since June 2009.

[§§ 102, 223, 224, 401, 505, 506]

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