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EU nations 'wait and see' if own legislation prevents retaliation for trading with US-sanctioned entities

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The sanctions program in Iran is heating up after the United States imposed additional sanctions on Iran's leadership following oil tanker attacks, rocket launches and the downing of a U.S. military drone in the Persian Gulf. [Executive Order 13876](#) was announced June 24 and specifically targets Iran's Supreme Leader, Ali Khamenei, and any officials or organizations associated with him. The U.S. also imposed additional sanctions in May, [targeting Iran's metals sector](#).

In response, Iran said it would enrich uranium in violation of the Joint Comprehensive Plan of Action, while European leaders urged both sides to calm down. The U.S. is able to target foreign companies through violations of U.S. International Traffic in Arms Regulations, Export Administration Regulations or other regulations of the U.S. Department of the Treasury's Office of Foreign Assets Control that govern the export of dual-use or U.S.-originated items.

For supply chain managers and compliance officers outside the U.S., understanding export and sanctions law — and the vigor with which they are enforced across borders — [is critical to avoiding crippling sanctions and costly legal battles](#). EU leaders have been working on systems that allow EU companies to trade with Iran, despite U.S. sanctions. The two biggest mechanisms are [INSTEX](#), or the Instrument in Support of Trade Exchanges, and the [EU blocking statutes](#). Both of these mechanisms are very important for supply chain compliance officers to understand.

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