

# FACT SHEET:

## Significant Iranian Sanctions Since 1995

Bryan Gold

March 2012

### Introduction

Since 1979, the United States has instituted sanctions against Iran in retaliation for the seizure of the U.S. Embassy and its staff, support of international terrorism, role in the Beirut Marine Corps barracks bombing, and its attacks on vessels during the 1984-1987 Tanker War.

Over the past 15 years, concerns about Iran's nuclear program are the driving factors behind efforts for tougher U.S. sanctions.

These sanctions attempt to isolate Iran from the international banking and finance system, reduce Iran's exports, and prevent investment in Iran's oil and natural gas sector.

Below is a list of the 15 most significant sanctions and actions against Iran.

### Key points

- In 1995 President Clinton declared that Iran constitutes an extraordinary threat to national security in Executive Order 12957.<sup>1,2</sup>
- The Iran-Libya Sanctions Act of 1996 attempts to prevent Iran from furthering its nuclear program by sanctioning non-U.S. investment in Iran's energy sector.
- Executive Order 13382 Freezes the assets of proliferators of weapons of mass destruction and their supporters.
- Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) sanctions companies and individuals that aid Iran's energy sector.
- Section 1245 of FY2012 National Defense Authorization Act requires the President to freeze the property of all Iranian financial institutions.
- Pending legislation sanctions any firm that issues sovereign debt to Iran, prohibits U.S. nuclear cooperation agreements with countries that are assisting the nuclear program of Iran, and allows the president to deny visas to Iranian senior officials.

## **Executive Order 12957<sup>3</sup>**

Date: 17 March, 1995

**Purposes and Actions:** Invokes the International Emergency Economic Powers Act (IEEPA) and finds that the actions and policies of the Government of Iran constitute an unusual and extraordinary national security threat to the United States and declares a national emergency.

Prohibits U.S. investment in, or development of, Iran's oil or natural gas sector.

Selected Entities Affected: None specifically, authorizes action.

## **Executive Order 12959<sup>4</sup>**

Date: 6 May, 1995

**Purposes and Actions:** Bans the importation or financing of importation of Iranian goods or services other than Iranian-origin publications and materials for publication and news broadcast.

Bans financing and brokering transactions and prevents any new investment in Iran. Also strengthens EO 12957.

Selected Entities Affected: None specifically, authorizes action.

## **Iran-Libya Sanctions Act of 1996 (ISA)**

Date: 5 August, 1996

**Purposes and Actions:** Attempts to prevent Iran from developing its nuclear program by sanctioning non-U.S. investment in Iran's energy sector.

Requires the president to impose at least two out of seven possible sanctions on foreign companies, including denial of Export-Import bank loans for U.S. exports, denial of licenses for U.S. export of military or military-useful technology, denial of bank loans exceeding \$10 million in one year, prohibiting the servicing of U.S. Government funds, prohibiting the U.S. Government from purchasing goods or services from the entity, and import restriction on the entity.<sup>5</sup>

Amended by the Iran Freedom and Support Act and the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA).

The measure has been largely symbolic but is a blueprint for succeeding legislation.

Selected Entities Affected: None, but many have been sanctioned under succeeding amendments to the ISA.

## **Executive Order 13059<sup>6</sup>**

Date: 19 August, 1997

**Purposes and Actions:** Bans the exportation, re-exportation, sale, or supply of goods, technology, or services from the U.S. to Iran.

Bans the use of third countries used for transshipment purposes for future export of goods to Iran. Clarified EO 12959 and EO 13059, confirms that virtually all trade and investment by U.S. persons is prohibited.

Selected Entities Affected: None specifically, authorizes action.

## **Iran Nonproliferation Act of 2000<sup>7</sup>**

Date: 14 March, 2000

**Purposes and Actions:** Authorizes, in pursuance with EO 12938 provisions and other nonproliferation laws, to take punitive actions against companies and individuals known to be providing material aid to WMD production in Iran. Renamed the Iran-North Korea-Syria Non-Proliferation Act (INKSNA) in 2006.

Selected Entities Affected: Many (see State Department website)<sup>8</sup>

## **Executive Order 13382<sup>9</sup>**

Date: 29 June, 2005

**Purposes and Actions:** Freezes the assets of proliferators of weapons of mass destruction and their supporters.

Selected Entities Affected: The Nuclear Reactors Fuel Company, Noor Afzar Gostar Company, Fulmen Group, Yasa Part, Modern Industries Technique Company, Javad Rahiqi, The Iran Centrifuge Technology Company, many others (see State Department website)<sup>10</sup>

## **Iran Freedom and Support Act**

Date: 30 September, 2006

**Purposes and Actions:** Renames the Iran-Libya Sanctions Act of 1996 to the Iran Sanctions Act of 1996. Amended the Iran Sanctions Act of 1996 to include a trigger that sanctions should be imposed on identities that sell Weapons of Mass Destruction (WMD) technology or a “destabilizing number and type of advanced conventional weapons” to Iran.<sup>11</sup>

Authorized the President to provide financial and political assistance to individuals, organizations, and entities working to promote democracy in Iran.

Selected Entities Affected: Naftiran Intertrade Company (Iran), Total (France), Statoil (Norway), (ENI) Italy, Royal Dutch Shell (Britain and the Netherlands)<sup>12</sup>

## Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA)

Date: 1 July, 2010

**Purposes and Actions:** Attempts to punish companies or individuals that aid Iran's energy sector. Amends the Iran Sanctions Act (ISA) to impose two or more current sanctions if a person has, with actual knowledge, made an investment of \$20 million or more that directly and significantly contributed to Iran's ability to develop its petroleum resources.

Imposes mandatory banking sanctions on foreign banks that knowingly facilitate significant transactions for the Islamic Revolutionary Guards Corps or affiliates, or any financial institution that is blocked under the International Emergency Economic Powers Act (IEEPA).

Selected Entities Affected: Bank Sepah, Bank Melli, Arian Bank, Kargoshaee Bank, Bank Mellat, Persia International Bank PLC, Future Bank (Bahrain), Export Development Bank of Iran, Banco Internacional de Desarrollo (Venezuela), First East Export Bank, Post Bank, and Bank Saderat<sup>13</sup>

## Executive Order 13574

Date: 23 May, 2011

**Purposes and Actions:** Provides International Emergency Economic Powers Act (IEEPA) implementation and enforcement authority for the five ISA sanctions that regulate private conduct on transactions with Iran.

Selected Entities Affected: Tanker Pacific Management (Singapore), Allvale Maritime Inc. (Liberia), Fal Oil Company Ltd (UAE), Kuo Oil (s) Pte. Limited (Singapore), Zhuhai Zhenrong Company<sup>14</sup>

## Section 1245 of FY2012 National Defense Authorization Act<sup>15</sup>

Date: 31 December, 2011

**Purposes and Actions:** Designates Iran's entire financial sector, including the Central Bank of Iran, as a "primary money laundering concern," requires the President to freeze the property and interests of all Iranian financial institutions, and prohibits or severely limits correspondent accounts in the United States of foreign financial institutions that facilitate significant transactions with Iranian banks.<sup>16</sup>

Previously, U.S. persons or companies were required to "reject," rather than "freeze," Iranian transactions.

Selected Entities Affected: Central Bank of Iran and other Iranian financial institutions

## Executive Order 13599<sup>17</sup>

Date: 5 February, 2012

**Purposes and Actions:** Strengthens and implements Section 1245 of FY2012 NDAA by freezing all property of the Government of Iran, the Central Bank of Iran, and other Iranian financial institutions that are in the U.S., come within the U.S., or come within the control of U.S. persons.

Selected Entities Affected: Government of Iran, Central Bank of Iran, other Iranian financial institutions

### ***H.R. 1905: Iran Threat Reduction Act of 2011***

Date: Passed the House, has not yet passed the Senate

**Purposes and Actions:** Makes any firm that issues Iran sovereign debt subject to ISA sanctions. Adds two additional sanctions to ISA, bans visas for principal officers or controlling shareholders of sanctioned firms and applies ISA sanctions to the principal officers of sanctioned firms.

Require the President to impose at least six out of the expanded ISA menu of 11 available sanctions on any sanctioned firm.

Selected Entities Affected: None, not yet implemented

### ***H.R. 2105: The Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act***

Date: Passed the House, has not yet passed the Senate

**Purposes and Actions:** Prohibits U.S. nuclear cooperation agreements and related export licenses, transfers of materials, and goods and services with any country that is assisting Iran's nuclear program or provides advanced conventional weapons. Directs the President to institute sanctions on foreign individuals involved with Iran's nuclear or WMD program.

Selected Entities Affected: None, not yet implemented

### ***S. 1048: Iran, North Korea, and Syria Sanctions Consolidation Act of 2011***

Date: Introduced to Senate

**Purposes and Actions:** Sanctions foreign firms that participate in energy-related joint ventures with Iran outside Iranian territory. Allows the president to deny visas to senior officials of Iran, North Korea, and Syria. Provides for sanctions against any person determined to be providing or acquiring militarily useful equipment to/from Iran, North Korea, or Syria.

Selected Entities Affected: None, not yet implemented

### ***S. 2101: Iran Sanctions, Accountability, and Human Rights Act of 2012***

Date: Introduced to Senate

**Purposes and Actions:** Combines elements of S. 1048, H.R. 1905, and H.R. 2105. Introduces new features: subjects ISA sanctions to individuals who engage in transactions with the IRGC or its affiliates and bars foreign banks from the U.S. market if they process transactions with Iran National Oil Company (INOC) or Iran National Tanker Company (INTC).

Selected Entities Affected: None, not yet implemented

## References

1. Executive orders are directives or actions by the President which are founded on the authority of the President derived from the Constitution or statute and are regarded to have the force and effect of law.
2. <http://www.gpo.gov/fdsys/pkg/FR-1995-03-17/pdf/95-6849.pdf>
3. <http://www.gpo.gov/fdsys/pkg/FR-1995-03-17/pdf/95-6849.pdf>
4. <http://www.gpo.gov/fdsys/pkg/FR-1995-05-09/pdf/95-11694.pdf>
5. <http://fpc.state.gov/documents/organization/109529.pdf>
6. <http://www.gpo.gov/fdsys/pkg/FR-1997-08-21/pdf/97-22482.pdf>
7. [http://www.armscontrol.org/act/2000\\_04/irnap00](http://www.armscontrol.org/act/2000_04/irnap00)
8. <http://www.state.gov/t/isn/inksna/c28836.htm>
9. <http://www.state.gov/documents/organization/135435.pdf>
10. <http://www.state.gov/t/isn/c22080.htm>
11. <http://www.fas.org/sgp/crs/mideast/RS20871.pdf>
12. <http://www.state.gov/r/pa/prs/ps/2011/03/159309.htm>
13. For more information see: <http://www.state.gov/e/eb/esc/iransanctions/docs/index.htm>
14. <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/isa.pdf>
15. <http://www.iranwatch.org/government/US/Treasury/us-treasury-faqs-section1245-ndaa-021412.htm>
16. [http://www.kelleydrye.com/publications/client\\_advisories/0722](http://www.kelleydrye.com/publications/client_advisories/0722)
17. <http://www.iranwatch.org/government/US/Treasury/factsheet-neweo-020612.htm>

## **Building a New American Arsenal**

The American Security Project (ASP) is a non-partisan initiative to educate the American public about the changing nature of national security in the 21st century.

Gone are the days when a nation's strength could be measured by bombers and battleships. Security in this new era requires a New American Arsenal harnessing all of America's strengths: the force of our diplomacy; the might of our military; the vigor of our economy; and the power of our ideals.

We believe that America must lead other nations in the pursuit of our common goals and shared security. We must confront international challenges with all the tools at our disposal. We must address emerging problems before they become security crises. And to do this, we must forge a new bipartisan consensus at home.

ASP brings together prominent American leaders, current and former members of Congress, retired military officers, and former government officials. Staff direct research on a broad range of issues and engages and empowers the American public by taking its findings directly to them.

We live in a time when the threats to our security are as complex and diverse as terrorism, the spread of weapons of mass destruction, climate change, failed and failing states, disease, and pandemics. The same-old solutions and partisan bickering won't do. America needs an honest dialogue about security that is as robust as it is realistic.

ASP exists to promote that dialogue, to forge consensus, and to spur constructive action so that America meets the challenges to its security while seizing the opportunities the new century offers.



[www.americansecurityproject.org](http://www.americansecurityproject.org)