



## European Commission acts to protect the interests of EU companies investing in Iran as part of the EU's continued commitment to the Joint Comprehensive Plan of Action

Brussels, 18 May 2018

**Following the green light of EU leaders at the informal meeting in Sofia, the European Commission has today taken steps to preserve the interests of European companies investing in Iran and demonstrate the EU's commitment to the Joint Comprehensive Plan of Action (JCPOA) – the Iran nuclear deal.**

The President of the European Commission, Jean-Claude **Juncker** [said](#): *"In Sofia, we saw a show of European unity. As long as the Iranians respect their commitments, the EU will of course stick to the agreement of which it was an architect - an agreement that was unanimously ratified by the United Nations Security Council and which is essential for preserving peace in the region and the world. But the American sanctions will not be without effect. So we have the duty, the Commission and the European Union, to do what we can to protect our European businesses, especially SMEs."*

The European Union is fully committed to the continued, full and effective implementation of the Iran nuclear deal (JCPOA), so long as Iran also respects its obligations. The announcement by the United States that it is withdrawing from the Iran nuclear deal and its decision to reinstate sanctions has the potential to have a negative impact on European companies which have invested in Iran in good faith since the deal was signed. The lifting of nuclear-related sanctions is an essential part of the JCPOA. The European Union is committed to mitigating the impact of US sanctions on European businesses and taking steps to maintain the growth of trade and economic relations between the EU and Iran that began when sanctions were lifted. This can only be achieved by a combination of measures taken at national and European level.

The European Union is also committed to maintaining the essential cooperation that exists with the United States in many areas. The United States remain a key partner and ally.

Following [the unanimous backing of EU Heads of State or Government](#) at the leaders' meeting in Sofia on the evening of **16 May for the proposals of President Juncker and High Representative/Vice-President Federica Mogherini, the European Commission has today acted on four fronts:**

- 1. Launched the formal process to activate [the Blocking Statute](#) by updating the list of US sanctions on Iran falling within its scope.** The Blocking Statute forbids EU companies from complying with the extraterritorial effects of US sanctions, allows companies to recover damages arising from such sanctions from the person causing them, and nullifies the effect in the EU of any foreign court judgements based on them. The aim is to have the measure in force before 6 August 2018, when the first batch of US sanctions take effect.
- 2. Launched the formal process to remove obstacles for the European Investment Bank (EIB) to decide under the EU budget guarantee to finance activities outside the European Union, in Iran.** This will allow the EIB to support EU investment in Iran and could be useful in particular for small and medium-sized companies. All relevant rules and procedures will apply to individual financial operations.

The European Parliament and the Council will have a period of two months to object to these measures, once proposed, before they enter into force. This period can be shorter if both Institutions signal their non-objection before the end of the period. The processes can be ended if political circumstances no longer justify the adoption of the measures.

- 3. As confidence building measures, the Commission will continue and strengthen the ongoing sectoral cooperation with, and assistance to, Iran,** including in the energy sector and with regard to small and medium-sized companies. As a first step, the Commissioner for Climate Action and Energy, Miguel Arias Cañete, will travel to Tehran already this weekend. Financial assistance through the Development Cooperation or Partnership Instruments will also be mobilised.
- 4. The Commission is encouraging Member States to explore the possibility of one-off bank transfers to the Central Bank of Iran.** This approach could help the Iranian authorities

to receive their oil-related revenues, particularly in case of US sanctions which could target EU entities active in oil transactions with Iran.

## Background

On 8 May, President Trump decided to withdraw the US from the Joint Comprehensive Plan of Action (JCPOA) and to reinstate all sanctions that had been previously imposed on Iran and had been lifted or waived as a result of this Agreement. The re-imposed US sanctions will come into effect after a “wind-down” period of 90 days (by 6 August 2108) for certain sanctions and 180 days (by 4 November 2018) for others.

On 9 May, the [High Representative issued a Declaration on behalf of the EU](#), reconfirming its commitment to the continued full and effective implementation of the Agreement and its determination to work with the international community to preserve it, so long as Iran continues to respects its commitments.

On 15 May, High Representative/Vice-President **Mogherini** convened the Foreign Ministers of France, Germany, the United Kingdom, and Iran, to address the announcement and to agree on [a common set of lines of action and measures to put in place](#).

On 16 May, the College of Commissioners discussed possible measures to preserve the Agreement and protect European interests. President **Juncker** and High Representative/Vice-President **Mogherini** presented these proposals to EU leaders at their informal meeting in Sofia the same day and received unanimous backing for this way forward.

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