



Memorandum

VIA EMAIL

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To: Clients and Friends

From: Stanley J. Marcuss
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Re: New Economic Sanctions Against Iran

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The just announced new economic sanctions against Iran in a nutshell are as follows:

United States

The President has issued an executive order directing various sanctions against anyone who provides, is a successor to or owns or controls anyone who provides to Iran goods, services, technology or “support” having a specified fair market value that (a) “could directly and significantly contribute to the maintenance or enhancement of Iran’s ability to develop petroleum resources located in Iran” or (b) “could directly and significantly contribute to the maintenance or expansion of Iran’s domestic production of petrochemical products.”

The U.S. Treasury Department has issued a notice of proposed rulemaking that would (a) require U.S. financial institutions to terminate correspondent accounts with Iranian banks, including the Central Bank of Iran and any non-Iranian bank that is 50% or more owned by two or more Iranian banks, (b) apply “special due diligence” to [their] correspondent accounts “to guard against their improper indirect use by Iranian banking institutions,” (c) take a “risk-based approach in deciding what, if any other due diligence measures [they] should adopt to guard against the improper indirect use of [their] correspondent accounts by Iranian banking institutions” and (d) take “all appropriate steps” to prevent a correspondent account from being used by a foreign bank “to provide indirect access to an Iranian banking institution.”

Canada

The Canadian government has issued an amendment to its existing Iranian sanctions regulations to (a) add goods used in the petrochemical, oil, or natural gas industries to its national security and nuclear-related export control lists of items that may not be exported without a license, (b) amplify the list of prohibited financial services that may not be provided to or received from

Iranian financial institutions and (c) add additional names of individuals and entities to its list of persons with whom dealings are prohibited under existing Canadian sanctions.

The UK

HM Treasury has added credit institutions incorporated in Iran and the Central Bank of Iran, including branches or subsidiaries thereof, to the list of persons with whom the “financial sector” is restricted or prohibited from having “business relationships” under existing UK sanctions against Iran.

Switzerland

The Department Federal de l’conomie has added a number of persons to the list of persons with whom dealings are prohibited under existing economic sanctions. Many of the additions are in the nuclear, petroleum, petrochemical or financial sectors.

The EU

The EU has not yet added to its existing sanctions against Iran but is expected to do so shortly with a focus on Iran’s nuclear-related activities.