

Due Diligence Helpdesk on EU Sanctions

for EU SMEs dealing with Iran

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Due Diligence on
EU Sanctions

for EU SMEs
dealing with

IRAN

Funded by the
European Union



EU Sanctions concerning Iran

- On 20 July 2015, the United Nations Security Council adopted Resolution 2231 (2015) regarding the **Joint Comprehensive Plan of Action (JCPOA)**.
- On 16 January 2016 (JCPOA Implementation Day), **the EU lifted all its economic and financial sanctions imposed in connection with the Iranian nuclear programme.**
- However, a number of measures related to the **non-proliferation of weapons of mass destruction (WMD)** have remained in place even after Implementation Day, in accordance with the JCPOA.
 - ➔ Council Regulation (EU) No 267/2012
- In addition, since 2011 the EU has imposed sanctions in response to **serious human rights violations** in Iran.
 - ➔ Council Regulation (EU) No 359/2011

<https://ec.europa.eu/info/sanctions>

<https://sanctions-map.eu>

Role of the European Commission

- **Lawmaking**
(drafts Council Regulations, on the basis of Council Decisions)
- **Supporting uniform implementation**
(delivers legal opinions and public guidance on the application of sanctions)
- **Monitoring**
(oversees enforcement of sanctions by the EU Member States)

Project Overview

Contracting authority: European Commission, Service for Foreign Policy Instruments (FPI)

Title: Due Diligence Helpdesk on EU Sanctions for EU SMEs dealing with Iran

Website: www.sanctions-helpdesk.eu

Context: European companies interested in doing business with Iran must first consider whether their activities would fall under existing EU sanctions. Many companies, in particular SMEs, are not always able to allocate resources to carry out due diligence checks. If uncertain about the legality of their planned activities, they may abstain from pursuing legitimate opportunities in Iran.

Objective: The Helpdesk supports EU companies, and primarily SMEs, to engage with Iran in compliance with EU law.

Detailed Objectives

- Provide concrete support to EU SMEs by carrying out due diligence regarding **EU sanctions compliance** for specific business projects;
- Help reduce transaction costs for EU SMEs dealing with Iran;
- Encourage EU SMEs to engage in Iran by applying a due diligence concept based, *inter alia*, on principles elaborated within the framework of the Commission's preceding action financed under the Partnership Instrument ("*Due diligence for EU operators related to Iran*");
- Reassure European banks, which may be currently reluctant to handle transactions involving Iran, by providing EU SMEs with well-researched due diligence documentation on their Iranian business partners;
- Demonstrate the EU's continued commitment to the JCPOA by allocating significant funds to improving EU-Iran trade.

Helpdesk Services

A

Identification and enrolment of Helpdesk users

B

Due diligence Orientation & Automated Initial Assessment (Level 1)

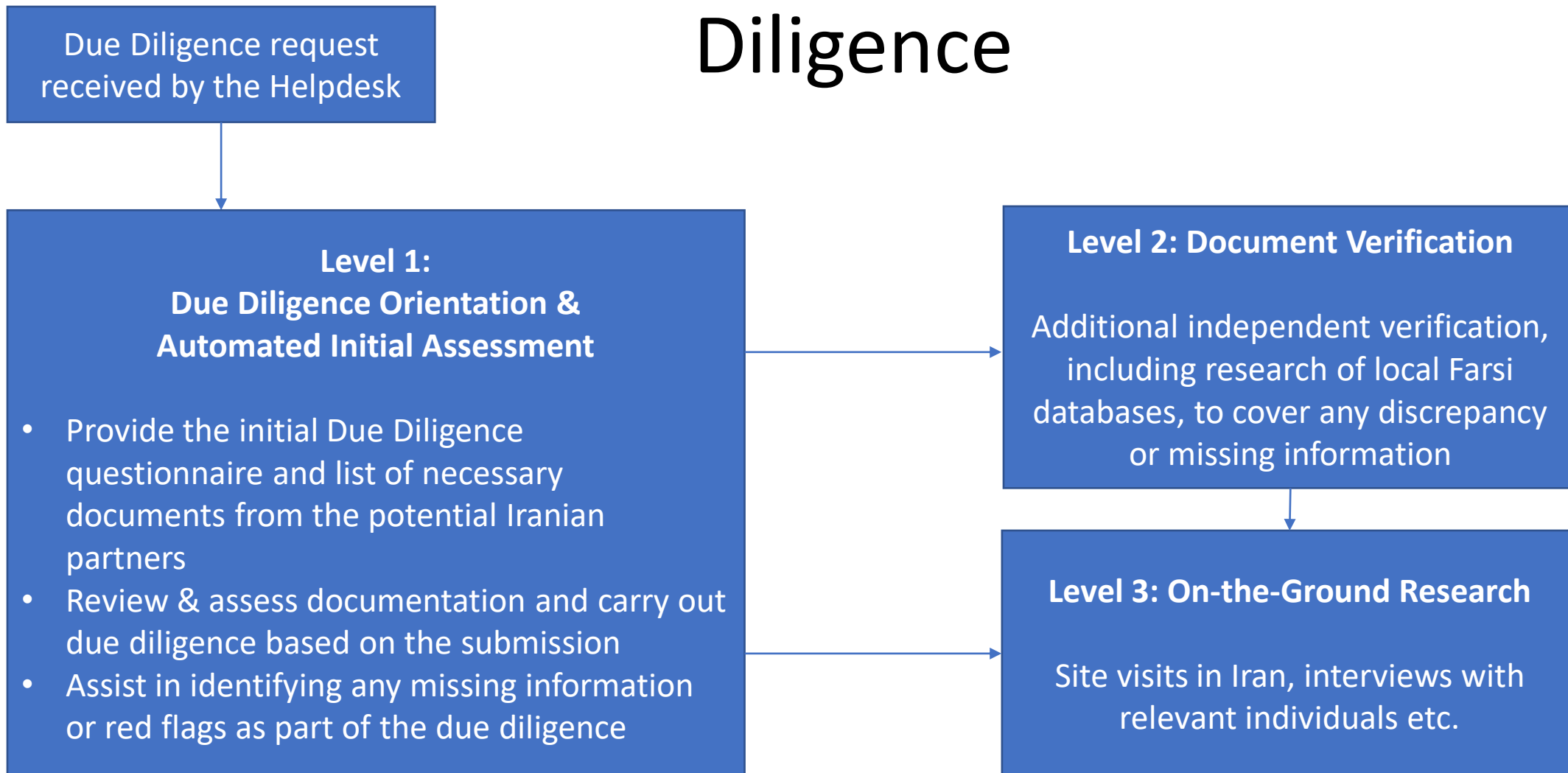
C

- Document Verification (Level 2)
- On the Ground Research (Level 3)

D

- Ancillary services
- Guidance
 - Trainings
 - Networking

Levels of Due Diligence



Due Diligence Analysis Tool

- Helpdesk Team receives and processes requests from EU SMEs for conducting due diligence using comprehensive forms available on the website
- Based on the disclosure quality and any red flags in the submitted documentation, the team will conduct Level 1-3 due diligence
- GDPR (General Data Protection Regulations) & compliance with privacy law are of utmost importance during the process



Key Elements of Compliance



Other Helpdesk Services



Publication of
business guides,
factsheets and
other information
materials



Organizing
trainings and
webinars



Supporting
business
matchmaking
events

EU Sanctions Tool

- Managed by the European Commission, independent from the Helpdesk
- Initial general assessment of compliance with EU sanctions
- Simple design using a 'decision tree' model
- Provides general guidance to EU SMEs on the potential business activity and Iranian partner
- Launched in summer 2020 at <https://sanctions-tool.ec.europa.eu>



Other resources

- EU Sanctions Map
<https://sanctionsmap.eu>
- Consolidated List of EU financial sanctions
<https://webgate.ec.europa.eu/europeaid/fsd/fsf>
- Information on EU sanctions
<https://ec.europa.eu/info/sanctions>
- Humanitarian Guidance
https://ec.europa.eu/info/files/201009-humanitarian-aid-guidance-note_en
- Information on the EU Blocking Statute
<https://ec.europa.eu/info/blocking-statute>
- INSTEX
<https://instex-europe.com>
- MAECI (Italy)
https://www.esteri.it/mae/it/politica_estera/politica_europea/misure_deroghe



Blocking Statute

- It is an EU Regulation (*Council Regulation (EC) No 2271/96*) that aims at countering the unlawful effects of third-country extra-territorial sanctions on EU individuals and companies, which the EU considers contrary to international law.
 - Prohibits EU persons from complying with extraterritorial sanctions of third countries
 - Bars recognition of any decision or judgement based on extraterritorial laws
 - Allows EU persons to recover in court damages resulting from the application of foreign legislation (“clawback claims”)
- As of today, it applies exclusively as regards U.S. measures against Cuba and Iran.

Thank you!

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