

Doing Business in Iran: a new path forward.

The landscape for doing business in Iran will change significantly with the election of Joseph R. Biden as President of the United States.

On July 14th, 2015, the P5+1 (United States, United Kingdom, Germany, France, China and Russia), the European Union and Iran agreed a Joint Comprehensive Plan of Action (“JCPOA”) contemplating the easing of certain Iran related sanctions. On October 18th, 2015, Adoption Day, the JCPOA came into effect and signatories began embarking on the steps necessary for implementation of the JCPOA. On January 16th, 2016, after the International Atomic Energy Agency’s verification of Iran’s commitments under the JCPOA, the United Nations, the European Union and the United States ceased the application of sanctions relating to certain sectors of business activity with respect to Iran (i.e. no longer restricting non-US persons from engaging in certain activities) and doing business with Iran began again.

It is important to note that the US sanctions on Iran restricting US persons from dealings related to Iran (“US Primary Sanctions”) always continued in full force and were not affected by the JCPOA (as opposed to the U.S. sanctions regime concerning non-US persons’ dealings related to Iran (“US Secondary Sanctions”); it was these US Secondary Sanctions that ceased to apply as of January 16th, 2016.

However, in 2018 the French, German and British governments had been in talks with the United States with respect to its concerns regarding the JCPOA for many months. Even though the United States had agreed to the deal in 2015, the US expressed serious concerns about certain aspects of the deal and decided to withdraw from the Iran nuclear deal (i.e. JCPOA).

The US government, considering its withdrawal, reimposed certain US Secondary Sanctions with respect to Iran on August 6th, 2018, with any remaining US Secondary Sanctions reimposed by November 4th, 2018.

A new perspective

With the election of Mr. Biden as President, there will be a new path forward with respect to Iran. Indeed Mr. Biden has stated that the US would re-join the JCPOA if Iran returns to strict compliance with the JCPOA. If this occurs, it will usher in a new chapter in the economic and geopolitical landscape of the Middle East as well as renewed investment and business opportunities.

Biden’s programme

The US president-elect has promised to re-join the Iran nuclear deal Mr Trump withdrew from, if Tehran comes back into compliance with the multilateral accord designed to curb its atomic ambitions. He has also vowed to reset relations with Saudi Arabia, which he has called a “pariah” state.

But like Mr Trump, Mr Biden wants to end America’s wars and plans a shift in US loyalties in the Middle East.

The Democrat will not move the US embassy from Jerusalem, where Mr Trump relocated it from Tel Aviv in 2018. He has no plans to push for a two-state solution. Mr Biden’s top advisers have also made clear his foreign policy priorities lie elsewhere.

What they want Iran wants compensation for its treatment at the hands of the Trump administration and all sanctions lifted as the price for its return to the nuclear deal. At present, it is still developing its missile programme.

Arkios Legal experience

Arkios Legal has a wide expertise in the Iran market having advised some excellence of the Italian industries to enter into that market in recent years. This is also due to Arkios’ long term relationship with one the largest multinational companies of Iran. We trust that we will be able to advice our old and new clients to go back doing business in Iran in the very near future.



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