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## US Announces Review of Iran Nuclear Deal

APRIL 24, 2017

On April 18, 2017, the State Department [certified](#) to Congress that Iran was in compliance with its obligations under the Joint Comprehensive Plan of Action (JCPOA) between the United States, Iran, and the P5+1 nations. It also reaffirmed that Iran remains a leading state sponsor of terror and that the National Security Council is conducting an interagency review of the JCPOA to determine “whether suspension of sanctions related to Iran” remains “vital” to the national security interests of the United States. The announcement was followed by a [press conference](#) by Secretary of State Rex W. Tillerson, at which he stated that the “JCPOA fails to achieve the objective of a non-nuclear Iran” and “represents the same failed approach” that has led to the current nuclear impasse with North Korea.

The State Department submitted the certification pursuant to the Iran Nuclear Agreement Review Act of 2015, which amended Section 135(d)(6) of the Atomic Energy Act of 1954 to require the President to regularly certify to Congress that “Iran is transparently, verifiably, and fully implementing the agreement”; “has not committed a material breach” (or has cured any such breach); and “suspension of sanctions related to Iran” is “appropriate and proportionate” and “vital to the national security interests of the United States.”

The JCPOA focused exclusively on Iranian nuclear-related activities and the corresponding lifting of US, EU, and United Nations nuclear-related sanctions. But last week’s announcement indicates that the Trump Administration is evaluating whether the JCPOA remains in the national security interest of the United States in light of Iran’s non-nuclear related activities, such as its actions supporting hostilities in Syria, Yemen, and Iraq, as well as Iran’s ongoing ballistic missile program.

The Administration’s review of the JCPOA raises the prospect that US sanctions relief under the JCPOA could be suspended or subject to “snapback” provisions at some future date. This could lead to a revocation of sanctions waivers and general licenses, re-issuance of executive orders, and/or the re-designation of Iranian persons as Specially Designated Nationals. In 2016, the Office of Foreign Assets Control issued [FAQs](#) about the implications of such snapback steps, noting that the “United States has committed not to retroactively impose sanctions for legitimate activity undertaken after Implementation Day [for the JCPOA]” but that “[t]ransactions conducted after the

snapback occurs...could be sanctionable to the extent they implicate activity for which sanctions have been re-imposed. The JCPOA does not grandfather contracts signed prior to snapback,” but the United States would provide a 180-day “wind down” period.

Although the Administration's review of the JCPOA indicates its serious concern about the current state of US-Iran relations, it may still be unlikely that the United States would precipitously withdraw from the JCPOA. However, developments involving US sanctions against Iran, including possible revisions to the US implementation of the JCPOA, merit close monitoring by global firms in the months ahead.

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