

KIRKLAND ALERT

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OFAC Economic Sanctions Further Eased to Support Freedom of Information in Iran

U.S. sanctions restrictions have been eased further for U.S. and non-U.S. companies that may be interested in providing to Iran certain services, software and hardware related to personal communications. As business with Iran remains subject to myriad restrictions and stiff enforcement, companies will want to review potential new engagements with Iran in consultation with economic sanctions experts.

Effective February 7, 2014, the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) new general license (General License D-1) for Iran in general does the following:

- Expands the prior authorization in General License D, which previously authorized sales to Iran *from the United States or by U.S. persons* of certain personal communications-related software, hardware and services that are subject to the Export Administration Regulations (EAR). The new authorization now allows sales to Iran of such software, hardware and services *by non-U.S. persons located outside the United States*.
- Expands upon General License D to authorize the sale of certain hardware or software that is not subject to the EAR (for example, non-U.S.-origin hardware or software containing less than a *de minimis* amount of U.S.-origin controlled content) to Iran *by U.S. persons from locations outside the United States*. (Non-U.S. persons are not prohibited by OFAC sanctions from selling such hardware or software to Iran.)
- Authorizes individuals traveling from the United States to Iran and returning to the United States to take with them certain personal communications hardware and software — for example, a smartphone — authorized under General License D-1 or OFAC regulations.
- Authorizes the provision of certain personal communications-related services *from the United States or by U.S. persons, wherever located*, to the Government of Iran (non-U.S. persons are not prohibited under the OFAC sanctions from providing such services to Iran) and the provision of certain personal communications-related software (e.g., mass market software, non-controlled software, certain anti-virus and anti-malware software, and certain anti-tracking software) by U.S. and non-U.S. persons to the Government of Iran. Such services and software must be publicly available and provided at no cost. According to OFAC, the purpose of this authorization is to ensure that companies concerned about running afoul of U.S. sanctions (presumably, for instance, by unknowingly or inadvertently providing access to the Government of Iran) are not unduly deterred from making these communications tools available in Iran.

OFAC released a number of related questions and answers on its website.¹ The new General License D-1 replaces and supersedes General License D, which was issued on May 30, 2013. These expanded authorizations continue to promote the transfer of personnel communication devices to Iran, expand U.S. exporters' ability to service that market and therefore enable Iranian citizens to access global information and communications consistent with U.S. national security aims.

1 See <http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/answer.aspx#337>.

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