

## **Fact Sheet: Energy-Related Sanctions under Executive Order (E.O.) 13590**

On November 21, 2011, President Obama signed E.O. 13590 as part of a series of measures the United States took to increase pressure on Iran to comply with its full range of international nuclear obligations and engage in constructive negotiations on the future of its nuclear program. Executive Order 13590 expands on existing energy-related sanctions to authorize sanctions on persons that knowingly provide goods, services, technology, or support (above certain limited monetary thresholds) to Iran that could directly and significantly contribute to either the maintenance or enhancement of Iran's ability to develop petroleum resources located in Iran or to the maintenance or expansion of Iran's domestic production of petrochemical products. These sanctions are intended to further address the connection between Iran's energy sector and its nuclear program that were highlighted in UNSCR 1929 and the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA). The United States is committed to using the E.O. and other existing sanctions to hold the Iranian regime accountable for its refusal to comply with its international obligations regarding its nuclear program.

### **Sanctionable Activities under E.O. 13590:**

Executive Order 13590 gives the Secretary of State authority to impose sanctions on persons that knowingly engage in a number of activities in Iran's energy sector, including:

#### **1. Goods, Services, Technology, or Support for the Development of Petroleum Resources:**

- The sale, lease, or provision of goods, services, technology, or support to Iran that could directly and significantly contribute to the enhancement of Iran's ability to develop its petroleum resources, with:
  - Fair market value of \$1 million or more; or
  - Aggregate fair market value of \$5 million or more in a 12-month period.

#### **2. Goods, Services, Technology, or Support for the Maintenance or Expansion of the Petrochemical Sector:**

1. the term "petroleum resources" includes petroleum, oil, natural gas, liquefied natural gas, and refined petroleum products.
2. The term "petrochemical products" includes any aromatic, olefin, and synthesis gas, and any of their derivatives, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea.

- The sale, lease, or provision of goods, services, technology, or support to Iran that could directly and significantly facilitate the maintenance or expansion of its domestic production of petrochemical products, with:
  - Fair market value of \$250,000 or more; or
  - Aggregate fair market value of \$1 million or more in a 12-month period.

The Executive Order would not cover the purchase of petroleum resources or petrochemical products from Iran, or the shipping of those products from Iran, absent other sanctionable conduct.

The completion of existing contracts is not sanctionable under E.O. 13590. However, any contracts that are expanded, renewed, or amended after E.O. 13590's effective date could trigger sanctions.

### **Sanctions Provisions:**

If a person is found to have provided a good, service, technology, or support described in E.O. 13590, the Secretary of State, in consultation with other agencies, has the authority to impose any of the following nine sanctions, prohibiting:

- 1) Export assistance from the Export-Import Bank of the United States, including guarantees, insurances, and extensions of credit to the sanctioned person;
- 2) Licenses for exports to the sanctioned person;
- 3) Private U.S. bank loans exceeding \$10 million in any 12-month period;
- 4) If the sanctioned person is a financial institution, designation as a primary dealer in USG debt instruments or services as a repository of USG funds;
- 5) Procurement contracts with the United States Government;
- 6) Foreign exchange transaction subject to U.S. jurisdiction;
- 7) Financial transactions subject to U.S. jurisdiction;
- 8) Transactions with respect to property subject to U.S. jurisdiction;
- 9) Imports to the United States from the sanctioned entity.