The European Union and Iran

While the European Union’s objective remains to develop with Iran a constructive partnership, from which both sides could draw benefits, since 2005 the serious concerns over the Iranian nuclear programme have dominated EU-Iran relations.

Deep and increasing concerns about unresolved issues and Iran’s continued refusal to comply with its international obligations and co-operate fully with the International Atomic Energy Agency (IAEA) led to resolutions by the UN Security Council in 2006, 2007, 2008 and 2010, imposing sanctions against Iran, which are binding on all UN member states. The EU fully implements these United Nations sanctions and has also adopted a number of complementary measures (see annex for overview of sanctions).

Detailed IAEA findings on Iranian activities related to possible military dimensions of Iran’s nuclear programme, reflected in the IAEA report from November 2011, and on on-going nuclear activities in clear violation of several UNSC and IAEA Board of Governors' resolutions, further exacerbated concerns over the nature of Iran’s nuclear programme. Against this background and the lack of Iranian engagement in the talks with the E 3+3 (China, France, Germany, Russia, the United Kingdom and the United States), led by the EU High Representative, the EU decided to extend its sanctions regime in October 2012.
The objective of the EU remains to achieve a comprehensive, negotiated, long-term settlement, which would build international confidence in the exclusively peaceful nature of the Iranian nuclear programme, while respecting Iran's legitimate right to the peaceful use of nuclear energy in conformity with the Non Proliferation Treaty and fully taking into account UN Security Council and IAEA Board of Governors resolutions.

EU High Representative Catherine Ashton, in her role as negotiator on behalf of the E3+3 based on a mandate of the UNSC, has been actively engaged in diplomatic efforts to resume talks with Iran. Following the Iranian elections in June 2013, E3+3 Foreign Ministers and HR Ashton met with Iranian Foreign Minister Zarif on 26 September 2013 and agreed to relaunch nuclear talks on 15/16 October 2013 in Geneva. At a subsequent, third, meeting in Geneva on 24 November 2013, an interim six-month understanding, known as the "Joint Plan of Action", was reached as a first step towards the resolution of the Iranian nuclear issue. Subsequent rounds of technical talks over its implementation, including a start date, eventually resulted in an decision, struck between Deputy Negotiators Helga Schmid and Deputy Foreign Minister Araghchi, that the implementation of the first step would enter into force on 20 January.

The "Joint Plan of Action" contains commitments by both the E3+3 and Iran (see separate fact sheet for details). But further work will be required to address fully the international community's concerns regarding the exclusively peaceful nature of the Iranian nuclear programme.

The EU continues to urge Iran to make further progress in this regard. It remains in the hands of the Iranian regime to engage in meaningful negotiations and take the actions needed to reassure the international community that its programme is entirely peaceful - including by implementing its applicable international obligations.

Sanctions

EU sanctions are meant to persuade Iran to comply with its international obligations and to constrain its development of sensitive technologies in support of its nuclear and missile programmes. The measures both implement UN Security Council resolutions and include additional autonomous EU measures. Sanctions are part of the EU's dual track policy of engagement and pressure. Sanctions are adopted and implemented in accordance with international law and in respect of human rights and fundamental freedoms.

The EU's sanctions target those persons and entities supporting the programme and revenues of the Iranian government used to fund the programme. The EU sanctions are not aimed at the Iranian people. Sanctions are not an end in themselves. The EU sanctions regime will be assessed against the behaviour of the government of Iran.

The implementation of the "Joint Plan of Action" includes for the EU the suspension of a limited number of restrictive measures for a period of six months beginning in January (see separate fact sheet and annex for details).
Human Rights

In addition to the nuclear issue, the EU is very concerned by Iran’s human rights situation. The EU has therefore made numerous public statements and has adopted restrictive measures on 87 named Iranian individuals and one entity who are responsible, directly or by order, for grave human rights violations. At the same time, the EU is open for contacts with Iran on human rights issues. The recent release of many prisoners of conscience and the commitments made by the new Iranian President after the 2013 presidential elections gives hope that the human rights situation in Iran will change for the better.

Every year since 2004, the United Nations General Assembly has adopted a resolution, supported by many countries, including those of the EU, expressing grave concern at the human rights situation in Iran. In 2011 a mandate for a special UN rapporteur was created by the Human Rights Council — yet the current mandate-holder still has not been permitted access to Iran. The EU will continue to call on Iran to allow the Special Rapporteur to visit the country. The EU’s principal and consistent call on Iran, as on other states around the world, is that it lives up to the international human rights standards to which it has freely subscribed.

BACKGROUND

History of EU-Iran relations

Iran and the EU began to look at ways to formalise and enhance their relationship in 1998, in recognition of their shared interest in commercial and political cooperation. The Council adopted a mandate to negotiate a comprehensive trade and co-operation agreement and a political dialogue agreement with Iran in 2001, with negotiations in both spheres starting in 2002, and running up to 2005. A human rights dialogue was conducted during the same period, until Iran declined to participate after 2004. The EU wished gradually to deepen relations with Iran, pending progress by Iranian authorities in four areas: Iran’s attitude to the Middle East Peace Process, the human rights situation in Iran, support to terrorist movements and finally, non-proliferation of weapons of mass destruction (WMDs), including nuclear.

This phase came to a halt in 2005, due to revelations on Iran’s clandestine nuclear activities and Iranian refusal to fully cooperate with the IAEA. At its September 2005 meeting, the IAEA’s board of governors found Iran in non-compliance with its safeguards obligations, because of “many failures and breaches of its obligations to comply with its NPT Safeguards Agreement”. Subsequently, the Iranian nuclear issue was reported to the UN Security Council in February 2006.
ANNEX: RESTRICTIVE MEASURES ON IRAN
- as in force to date -

Nuclear programme

In response to concerns about Iran's proliferation-sensitive nuclear activities, the EU has gradually introduced comprehensive restrictive measures since 2007. They implement UN decisions, but also include strong EU autonomous measures. These measures consist in:

– Export and import ban on arms.

– Export and import ban on goods and technology related to nuclear enrichment or nuclear weapon systems, including concerning nuclear materials and facilities, certain chemicals, electronics, sensors and lasers, navigation and avionics.

– Exports of a separate set of goods that could contribute to nuclear enrichment are subject to authorisation by national authorities and only permitted if they don't contribute to nuclear enrichment and weapons development.

– Exports ban on materials relevant to the Iranian nuclear, military and ballistic missile programmes or to industries controlled by the Iranian Revolutionary Guard Corps: graphite, raw or semi-finished metals, such as aluminium and steel, and software for integrating industrial processes.

– Ban on investment by Iranian nationals and entities in uranium mining and production of nuclear material and technology within the EU.

– Ban on imports of crude oil, petroleum products and natural gas from Iran. The prohibition concerns import, purchase and transport of such products as well as related finance and insurance. No vessels designed for the transport or storage of oil and petrochemical products may be supplied to Iran (as of 20 January measures are suspended for six months insofar as they concern insurance and transport of Iranian crude oil).

– Ban on imports of petrochemical products from Iran (as of 20 January this measure is suspended for six months).

– Export and import ban on dual-use goods and technology, for instance telecommunication systems and equipment; information security systems and equipment; nuclear technology and low-enriched uranium.

– Export ban on key equipment and technology for the oil and gas industries, that is for exploration and production of oil and natural gas, refining and liquefaction of natural gas, and for the petrochemical industry in Iran. Ban on financial and technical assistance for such transactions. This includes for instance geophysical survey equipment, drilling and production platforms for crude oil and natural gas, equipment for shipping terminals of liquefied gas, petrol pumps and storage tanks.
– Ban on investment in the Iranian oil and gas industries (exploration and production of oil and gas, refining and liquefaction of natural gas) and in the Iranian petrochemical industry. This means no credits, loans, new investment in and joint ventures with such companies in Iran.

– No new commitments by EU member states for financial support for trade with Iran, be they short-, medium- or long-term.

– Member states must not give new grants and concessional loans to the government of Iran. Prohibition to provide insurance and re-insurance to the Iranian government and Iranian entities (except health and travel insurance).

– Trade in gold, precious metals and diamonds with Iranian public bodies and the central bank is prohibited (as of 20 January measure is suspended for six months insofar as it concerns gold and precious metals).

- No delivery of Iranian denominated banknotes and coinage to the Iranian central bank.

– Prohibition on financial transfers with Iranian banks, unless specifically authorised in advance. Payments may be authorised if related to foodstuffs, healthcare, medical equipment, agricultural or humanitarian purposes, personal remittances, a specific trade contract, a diplomatic or consular mission or an international organisation enjoying immunities, claims against Iran or to certain specified exemptions (as of 20 January new authorisation thresholds will apply for six months).

– Prohibition for Iranian banks to open branches and create joint ventures in the EU. EU financial institutions may not open branches or bank accounts in Iran, either.

– Ban on the issuance of and trade in Iranian government or public bonds with the Iranian government, central bank and Iranian banks.

– Member states must require their nationals to exercise vigilance over business with entities incorporated in Iran, including those of the Iranian Revolutionary Guard Corps (IRGC) and of the Islamic Republic of Iran Shipping Lines (IRISL).

– National customs authorities must require prior information about all cargo to and from Iran. Such cargo can be inspected to ensure that trade restrictions are respected. Prohibited goods can be seized by member states.

– Cargo flights operated by Iranian carriers or coming from Iran may not have access to EU airports (except mixed passenger and cargo flights). No maintenance services to Iranian cargo aircraft or servicing to Iranian vessels may be provided if there are suspicions that it carries prohibited goods.

– No flagging or classification services may be supplied to Iranian oil tankers or cargo vessels.

– Prohibition to construct new oil tankers for Iran or to participate in their construction.
– Ban on supplying key naval equipment for shipbuilding and maintenance to Iran.

– Visa bans on persons designated by the UN or associated with or providing support for Iran’s proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems, for instance by acquiring prohibited goods and technology or by assisting listed persons or entities in violating UN and EU provisions; on persons that have themselves evaded or violated those sanctions and members of the IRGC or persons acting on behalf of IRGC or the IRISL. Visa bans currently apply to 103 persons - 43 of them have been designated by the UN, the others are autonomous EU designations. A number of humanitarian exemptions are made to the visa ban. Those individuals are also subject to an asset freeze.

– Asset freeze on entities associated with Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems, for instance by acquiring prohibited goods and technology or by assisting listed persons or entities in violating UN and EU provisions; on entities that have themselves evaded or violated those sanctions and members and entities of IRGC and the IRISL. This includes the Central Bank of Iran.

The number of listed entities amounts to 482, including the Iranian central bank. 78 of them were designated by the UN, the others are autonomous EU designations. They include companies the banking and insurance sectors, the nuclear technology industry and in the field of aviation, armament, electronics, shipping, chemical industry, metallurgy and the oil and gas industry as well as branches and subsidiaries of IRGC and IRISL. Humanitarian exemptions also apply to the asset freeze.

No specialised financial messaging services may be provided to the persons and entities subject to an asset freeze.

The Council regularly reviews the list of persons and entities subject to admission restrictions and asset freezes.

**Human Rights**

The EU has repeatedly voiced its concern about the deteriorating human rights situation in Iran. It deplored the widespread repression of Iranian citizens, including human rights defenders, lawyers and journalists, who face harassment and arrests for exercising their legitimate rights. The EU has subjected 87 persons and one entity responsible for these serious human rights violations to an assets freeze and a ban from entering the EU.

The measures also include a ban on the export of equipment for monitoring internet and telephone communications. In addition, equipment which might be used for internal repression may not be exported to Iran.

The Council regularly reviews the list of persons and entities subject to admission restrictions and asset freezes.