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The European Union and Iran

While the European Union's objective remains to develop a durable and positive relationship with Iran in order to develop the potential for 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).

IAEA findings on Iranian activities relating to the development of military nuclear technology, reflected in the IAEA report from October 2011, have further exacerbated concerns over the nature of Iran's nuclear programme. Against this background and the lack of engagement from the Iranian side with the efforts aimed at constructive talks made by the HR, on behalf of the E3+3 (China, France, Germany, Russia, the United Kingdom and the United States), the EU therefore decided, at the end of 2011, to extend its sanctions regime.

P R E S S

The objective of the EU remains to achieve a comprehensive, negotiated, long-term settlement which restores 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 under the Non Proliferation Treaty. High Representative Catherine Ashton, in her role as designated negotiator on behalf of the E3+3, has repeatedly signalled readiness to resume talks, starting with a confidence-building phase aimed at facilitating a constructive dialogue on the basis of reciprocity and a step-by-step approach.

The EU continues to urge Iran to respond clearly and positively to this offer of negotiations and to demonstrate its readiness to address seriously existing concerns on the nuclear issue, without preconditions. Iran must take the actions needed to reassure the international community that its programme is entirely peaceful - including by implementing its international obligations and relevant UNSC resolution in full co-operation with the IAEA. A comprehensive package of incentives including full political and technological support for a peaceful nuclear programme, and the normalisation of economic relations, is part of the offer made by the E3+3, with the support of the EU.

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 UNSC resolutions and include additional autonomous EU measures. The EU sanctions regime will be assessed against the behavior of the government of Iran. The EU sanctions were last strengthened on 23 January 2012 when the Foreign Affairs Council inter alia imposed an import ban on Iranian crude oil and froze the assets of the Iranian central bank within the EU.

See also: Text of the Council [decision](#) adopted on 23 January

Human Rights

In addition to the nuclear issue, the EU is also very concerned by the deterioration of Iran's human rights situation. This has particularly been the case since the crackdown which followed the 2009 presidential elections in Iran. The EU has therefore adopted restrictive measures on 61 named Iranian individuals 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, though no such contacts have taken place for several years.

Every year since 2004, the United Nations General Assembly has adopted a resolution expressing grave concern at the deteriorating situation, and in 2011 a mandate for a special 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 push for access, and continue to call Iran to account for abuses which have been thoroughly and convincingly documented. 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. The EU is still Iran's principal trading partner, importing €14.5 bn of goods from Iran, and exporting €11.3 bn (2010 figures - both being less today than in the past). 90% of EU imports from Iran are oil and related products.

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 UNSC in March 2006.

ANNEX: RESTRICTIVE MEASURES ON IRAN

- as in force on 24 March 2012 -

Nuclear programme

In response to concern 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.
- 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 and petroleum products from Iran. The prohibition concerns import, purchase and transport of such products as well as related finance and insurance. Contracts concluded before 23 January 2012 can be executed until 1 July 2012.
- Ban on imports of petrochemical products from Iran. Contracts concluded before 23 January 2012 can be executed until 1 May 2012.
- 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 medium- or long-term commitments by EU member states for financial support for trade with Iran. Restraint on short-term commitments.
- 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. No delivery of Iranian denominated banknotes and coinage to the Iranian central bank.
- Enhanced monitoring over the activities of EU financial institutions with Iranian banks and their branches, including the Iranian central bank. Banks must require full information, keep records of all transactions and report transactions they suspect to concern proliferation financing to national authorities.
- Restrictions on financial transfers to and from Iran. Banks must notify transfers above 10 000 EUR to national authorities and request prior authorisation for transactions above 40 000 EUR (with humanitarian exemptions). Only permitted if it does not contribute to nuclear enrichment or weapons development
- 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.
- 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; and other members of the IRGC.

As of 24 January, visa bans apply to 116 persons - 41 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; and senior members and entities of IRGC and the IRISL.

The number of listed entities amounts to 442, including the Iranian central bank. 75 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 78 persons 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.