

“Adoption Day” Marks Official Launch of P5 + 1 Nuclear Deal with Iran

The Joint Comprehensive Plan of Action (JCPOA), intended to prevent Iran from acquiring a nuclear weapon and to ensure that Iran’s nuclear program will be directed toward exclusively peaceful purposes, went into effect October 18, 2015, on so-called “Adoption Day.” Beginning on Adoption Day, JCPOA participants will start taking the steps necessary to implement their JCPOA commitments.

The JCPOA was signed by the P5+1 nations (United States, United Kingdom, France, Russia, China and Germany) and Iran on July 14, 2015. Under the JCPOA, Iran is expected to reduce its stockpile of enriched uranium, limit the number of centrifuges it operates for uranium enrichment, and allow monitoring of its nuclear program by International Atomic Energy Agency (IAEA) inspectors. In return, once Iran’s compliance with the terms of the JCPOA is verified, U.S. and E.U. nuclear-related sanctions against Iran will be eased and ultimately phased out.¹

On Adoption Day, President Obama issued a memorandum directing the Secretaries of State, Treasury, Commerce and Energy to make all preparations necessary to give effect to U.S. commitments under the JCPOA beginning on “Implementation Day,” which will occur only if and when the IAEA verifies that Iran has implemented key nuclear-related measures under the JCPOA. The Secretary of State also issued contingent waivers of certain statutory sanctions provisions that similarly take effect only on Implementation Day.

It is important to keep in mind that Adoption Day marks the effective date of the JCPOA. It does not initiate any easing of sanctions. A statement issued by the Treasury Department’s Office of Foreign Assets Control (OFAC) made clear that, until Implementation Day, all U.S. sanctions remain in effect, and certain activities involving Iran, such as entering into contracts relating to certain sectors of the Iranian economy, could expose parties to sanctions. In certain circumstances, notably contracts involving individuals or entities on the SDN List, this could include contracts made contingent on the implementation of sanctions relief under the JCPOA. For further guidance on JCPOA implementation, please refer to the [OFAC website](#).

It is also important to remember that even after Implementation Day, U.S. persons will continue to be broadly prohibited from engaging in transactions or dealings involving Iran, including the Government of Iran, with the exception of a few additional categories of transactions that OFAC will license pursuant to the JCPOA.

OFAC indicated that it will publish detailed guidance on its website prior to Implementation Day describing how U.S. commitments with respect to sanctions under the JCPOA will be implemented and what sanctions will remain in place.

We will advise further as the JCPOA progresses toward Implementation Day and whenever new sanctions regulations are issued.

Should you have any questions regarding U.S. sanctions against Iran or any other U.S. sanctions program, please do not hesitate to contact a member of Cozen O’Connor’s Transportation & Logistics Group.



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¹ Non-nuclear related sanctions, such as those directed at counter-terrorism and human rights abuses, will remain in place.