June 30, 2015

Pushing Deadline for Iran Nuclear Deal, Negotiators Extend Temporary Sanctions Relief for Seven Days

As nuclear negotiations in Vienna reach the targeted June 30, 2015, deadline for an agreement, the P5+1, EU and Iran agreed today to extend the limited and temporary sanctions relief to Iran through July 7, 2015. The announcement comes as little surprise after this weekend, when Western and Iranian officials made numerous statements expressing intentions to continue negotiating outstanding issues past the June 30, 2015, expiration of the Joint Plan of Action (JPOA).

The extended sanctions relief will be limited to that provided in the JPOA entered into on November 24, 2013, which temporarily suspends sanctions related to, among other things, Iran’s purchase and sale of gold and other precious metals, Iran’s export of petrochemical products and crude oil, Iran’s automotive industry, safety of flight for Iranian civil aviation, and certain associated services related to these sanctioned goods and industries. In addition, the U.S. Department of Treasury, Office of Foreign Assets Control will extend through July 7, 2015, all specific licenses issued pursuant to its Second Amended Statement of Licensing Policy Related to the Safety of Iran’s civil aviation industry and expiring on June 30, 2015.

Although EU High Representative Federica Mogherini suggested that a June 30 nuclear accord was possible, several others have emphasized the significant hurdles that remain. Over the weekend, French negotiators proposed “indispensable” conditions that included limits on Iran’s nuclear research and production capabilities, sanctions snapbacks and verification of Iran’s nuclear sites—including those of a military nature. French Foreign Minister Laurent Fabius noted on Sunday that the conditions “have still not been accepted by everybody,” and British Foreign Secretary Philip Hammond recognized that there were “some very difficult decisions and tough choices to be made by all of us.” Iranian negotiator Abbas Araghchi described the days leading up to the target deadline as a “slow and difficult process.” Media reports have stated that the negotiating parties have not agreed on the timing of sanctions relief for Iran and the monitoring mechanisms to be used to verify Iran’s compliance with nuclear commitments.

Additionally, Iran’s Ayatollah Ali Khamenei may be pulling back on some of Iran’s commitments outlined in the April 2, 2015, Joint Comprehensive Plan of Action, which was intended to serve as the negotiating framework for a final nuclear deal. On June 28, 2015, Britain’s foreign secretary pointed out that there remained “major differences of interpretation in detailing what was agreed in Lausanne,” a concern reportedly shared by U.S. and European negotiators alike. Today, the United States issued a statement, in both English and Farsi, warning Iran that the April 2, 2015, framework must remain as the foundation of a final agreement. Recalcitrance by Iran in the coming days may foil a deal. Several Western leaders,
including President Obama, have expressed their willingness to walk away from negotiations, and the British foreign secretary has said that “no deal is better than a bad deal.”

Although the negotiating parties have agreed to extend sanctions relief until July 7, U.S. officials are hoping to finalize an agreement with Iran in time for the president to submit a draft to Congress by July 9. If Congress does not receive an agreement by then, it will have 30 extra days to review a nuclear accord (for a total of 60 days), and some congressional members have hinted at a legislative strategy aimed at rejecting a deal. Recent media reported that, if the president submits a draft nuclear agreement to Congress, Republican leaders—many of whom have been critical of the negotiating process—may force Congress to vote on a motion of approval designed to show that a minority of legislators actually support a deal with Iran.

It remains to be seen if the negotiators will be successful in finalizing a deal acceptable to all interested parties by July 7. We are closely monitoring the ongoing negotiations and will keep you apprised of any relevant developments as we learn of them.
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