

Administration of Barack Obama, 2012

Letter to Congressional Leaders on the Implementation of Certain Sanctions Set Forth in the Iran Threat Reduction and Syria Human Rights Act of 2012 and Additional Sanctions With Respect to Iran

October 9, 2012

Dear Mr. Speaker: (Dear Mr. President:)

Pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), I hereby report that I have issued an Executive Order (the "order") that takes additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995, and implements the statutory requirements of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158) (ITRSHRA), which amends the Iran Sanctions Act of 1996 (Public Law 104–172) (50 U.S.C. 1701 note) (ISA), and the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195) (22 U.S.C. 8501 *et seq.*) (CISADA).

In Executive Order 12957, the President found that the actions and policies of the Government of Iran threaten the national security, foreign policy, and economy of the United States. To deal with that threat, the President in Executive Order 12957 declared a national emergency and imposed prohibitions on certain transactions with respect to the development of Iranian petroleum resources. To further respond to that threat, Executive Order 12959 of May 6, 1995, imposed comprehensive trade and financial sanctions on Iran. Executive Order 13059 of August 19, 1997, consolidated and clarified the previous orders. To take additional steps with respect to the national emergency declared in Executive Order 12957 and to implement section 105(a) of CISADA, I issued Executive Order 13553 on September 28, 2010, to impose sanctions on officials of the Government of Iran and other persons acting on behalf of the Government of Iran determined to be responsible for or complicit in certain serious human rights abuses.

To take additional steps with respect to the threat posed by Iran and to provide implementing authority for a number of the sanctions set forth in ISA, as amended by CISADA, I issued Executive Order 13574 on May 23, 2011, to authorize the Secretary of the Treasury to implement certain sanctions imposed by the Secretary of State pursuant to ISA, as amended by CISADA.

I also issued Executive Order 13590 on November 20, 2011, to take additional steps with respect to this emergency by authorizing the Secretary of State to impose sanctions on persons providing certain goods, services, technology, or support that contribute either to Iran's development of petroleum resources or to Iran's production of petrochemicals, and to authorize the Secretary of the Treasury to implement some of those sanctions. On February 5, 2012, in order to take additional steps pursuant to this emergency, and to implement section 1245(c) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81), I issued Executive Order 13599 blocking the property of the Government of Iran, all Iranian financial institutions, and persons determined to be owned or controlled by, or acting for or on behalf of, such parties. On April 22, 2012, and May 1, 2012, I issued Executive Orders 13606 and 13608, respectively. Executive Orders 13606 and 13608 each take additional steps with respect to various emergencies, including the emergency declared in Executive Order 12957

concerning Iran, to address the use of computer and information technology to commit serious human rights abuses and efforts by foreign persons to evade sanctions.

To take additional steps with respect to the national emergency declared in Executive Order 12957, I issued Executive Order 13622 of July 30, 2012, imposing sanctions on persons as described in that order, particularly in light of the Government of Iran's use of revenues from petroleum, petroleum products, and petrochemicals for illicit purposes; Iran's continued attempts to evade international sanctions through deceptive practices; and the unacceptable risk posed to the international financial system by Iran's activities.

In ITRSHRA, which I signed into law on August 10, 2012, the Congress enhanced sanctions on Iran and Syria, focusing on the energy and financial sectors, as well as activity connected with the proliferation of weapons of mass destruction, Iran's Islamic Revolutionary Guard Corp, and human rights abuses in Iran and Syria.

The order is intended to implement certain statutory requirements of ITRSHRA, including its amendments to the statutory requirements of ISA and CISADA, as described below.

Section 1 of the order is intended to implement sanctions pursuant to ISA, CISADA, or ITRSHRA. Certain ISA sanctions require action by the private sector, and the order will further the implementation of those ISA sanctions by providing authority under IEEPA to the Secretary of the Treasury to take certain actions with respect to those sanctions. The order states that the Secretary of the Treasury, in consultation with the Secretary of State, shall take the following actions necessary to implement the sanctions selected, imposed, and maintained on a person by the President, or by the Secretary of State or the Secretary of the Treasury pursuant to authority that I have delegated:

- with respect to section 6(a)(3) of ISA, prohibit any United States financial institution from making loans or providing credits to the sanctioned person consistent with that section;
- with respect to section 6(a)(6) of ISA, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest;
- with respect to section 6(a)(7) of ISA, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person;
- with respect to section 6(a)(8) of ISA, block all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any United States person, including any foreign branch, of the sanctioned person, and provide that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in;
- with respect to section 6(a)(9) of ISA, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person;

- with respect to section 6(a)(11) of ISA, impose on the principal executive officer or officers, or persons performing similar functions and with similar authorities, of a sanctioned person the sanctions described in sections 6(a)(3), 6(a)(6), 6(a)(7), 6(a)(8), 6(a)(9), or 6(a)(12) of ISA, as selected by the President, Secretary of State, or Secretary of the Treasury, as appropriate; or
- with respect to section 6(a)(12) of ISA, restrict or prohibit imports of goods, technology, or services, directly or indirectly, into the United States from the sanctioned person.

Sections 2 and 10 of the order are intended to implement the statutory requirements of CISADA, as amended by section 402 of ITRSHRA, which block the property or interests in property and suspend entry into the United States of persons determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, to:

- have knowingly, on or after August 10, 2012, transferred, or facilitated the transfer of, goods or technologies to Iran, any entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran, or any national of Iran, for use in or with respect to Iran, that are likely to be used by the Government of Iran or any of its agencies or instrumentalities, or by any other person on behalf of the Government of Iran or any of such agencies or instrumentalities, to commit serious human rights abuses against the people of Iran;
- have knowingly, on or after August 10, 2012, provided services, including services relating to hardware, software, or specialized information or professional consulting, engineering, or support services, with respect to goods or technologies that have been transferred to Iran and that are likely to be used by the Government of Iran or any of its agencies or instrumentalities, or by any other person on behalf of the Government of Iran or any of such agencies or instrumentalities, to commit serious human rights abuses against the people of Iran;
- have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the activities described above, or any person whose property and interests in property are blocked pursuant to these provisions; or
- be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to these provisions.

Sections 3 and 10 of the order are intended to implement the statutory requirements of CISADA, as amended by section 403 of ITRSHRA, which block the property or interests in property and suspend entry into the United States of persons determined by the Secretary of the Treasury, in consultation with or at the recommendation of the Secretary of State, to:

- have engaged in censorship or other activities with respect to Iran on or after June 12, 2009, that prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Iran; or that limit access to print or broadcast media, including the facilitation or support of intentional frequency manipulation by the

Government of Iran or an entity owned or controlled by the Government of Iran that would jam or restrict an international signal;

- have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the activities described above or any person whose property and interests in property are blocked pursuant to these provisions; or
- be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to these provisions.

Section 4 of the order is intended to meet the statutory deadline set forth in section 218 of ITRSHRA, which requires that the President prohibit certain transactions not later than October 9, 2012. This section prohibits entities owned or controlled by a United States person and established or maintained outside the United States from knowingly engaging in any transaction, directly or indirectly, with the Government of Iran or any person subject to the jurisdiction of the Government of Iran, if that transaction would be prohibited by certain Executive Orders prohibiting trade with Iran and blocking the Government of Iran and Iranian financial institutions, or any regulation issued pursuant to the foregoing, if the transaction were engaged in by a United States person or in the United States.

Sections 5, 6, and 7 of the order authorize the Secretary of State to impose, and the Secretary of the Treasury and other agencies to implement, certain sanctions in sections 5(a) and 6 of ISA that were enacted by CISADA, for activity occurring between July 1, 2010, and August 10, 2012. Section 201 of ITRSHRA amended the effective date of those ISA sanctions to August 10, 2012, and does not appear to otherwise preserve the applicability of certain provisions for activity occurring between the enactment dates of CISADA and ITRSHRA. The purpose of these sections is to continue the authority of the Secretary of State to impose, and other agencies to implement, these ISA sanctions for activity that occurred during this time period.

I have delegated to the Secretary of State and the Secretary of the Treasury, as described in the order, the authority to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and the relevant provisions of ISA, CISADA, and ITRSHRA and to employ all powers granted to the United States Government by the relevant provisions of ISA and CISADA as may be necessary to carry out the purposes of the order.

All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of the order.

A copy of the order is enclosed.

Sincerely,

BARACK OBAMA

NOTE: Identical letters were sent to John A. Boehner, Speaker of the House of Representatives, and Joseph R. Biden, Jr., President of the Senate.

Categories: Communications to Congress : Iran Threat Reduction and Syria Human Rights Act of 2012, implementation of sanctions, letter.

Subjects: Iran : Nuclear weapons development; Iran : U.S. sanctions; Iran Threat Reduction and Syria Human Rights Act of 2012.

DCPD Number: DCPD201200797.