



Ministry of Foreign Affairs

DOING BUSINESS WITH IRAN

Commissioned by the Netherlands Enterprise Agency

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International.*

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Since January 2016 it is possible to do business with individuals and entities in Iran, although certain sanctions are still in place. If you intend to do business with Iran, to invest or to provide services, you should familiarize yourself with the restrictions that are still in place.

We understand that you may have questions about what this means for your business. In this message, we will inform you about the present Dutch position on trade with and investment in Iran, and what the Dutch government and the EU are doing to support Dutch companies in their legitimate business.

What is the position of the Dutch government on trade with Iran?

The EU and the Dutch government remain committed to the Joint Comprehensive Plan of Action (JCPOA). As long as Iran keeps up its end of the agreement, the EU Member States encourage business with Iran. An important feature of this policy is that the Dutch government believes that the Iranian people should reap the economic benefits from the arrangement.

There is still a significant list of Iranian parties on the [European sanctions list](#). Import and export of military goods (weapons) is not allowed. Exporting any goods that could contribute to the development of missiles capable of carrying a nuclear weapon, that may contribute to the repression of civilians and/or the interception of communications is not allowed. For the export of dual-use goods to Iran, you always need a license. Exports of nuclear goods to Iran are still under close surveillance. In some cases, permission must even be obtained from the UN Security Council. All the above mentioned restrictions also apply to the provision of services (digital, oral or written) transfer of knowledge and / or technology and software related to controlled goods. See also the [factsheet](#) and [handbook](#) on doing business with Iran (both in Dutch)

In May 2018, the United States left the JCPOA and re-imposed sanctions it had previously withdrawn. Since then, different batches of sanctions that target the Iranian regime have been re-imposed. The response of the Dutch cabinet to the re-installment of the American sanctions can be found in [this letter to parliament](#) (in Dutch) of 2 November 2018. The Dutch government still supports trade and investment, and trade promotion instruments remain available for Iran (find an overview of these instruments on [this RVO webpage](#)). Moreover, the Netherlands remain in government-to-government dialogue with Iranian counterparts on economic matters. Dutch banks, however, are reticent to facilitate legitimate trade with Iran. In a free market economy, banks and businesses make their own commercial decisions.

What is the EU doing support your business with Iran?

To keep business going and to support European companies while doing so, the EU is working on a number of instruments:

- [The EU-Blocking Statute \(Council Regulation \(EC\) No 2271/96 of 22 November 1996\)](#): Entered into force on 29 November 1996, and was amended by delegated regulation (EU) 2018/1100 of 6 June 2018, after the United States announced they will no longer waive their national restrictive measures relating to Iran. The main purpose is to limit the extraterritorial effects of US sanctions in the EU. The blocking statute prohibits compliance with the US sanctions on Iran contained in the annex to the blocking statute and provides a legal basis for EU companies to seek recovery from damages arising from US sanctions in court. Q&A's can be found on [this website](#).
- [INSTEX](#): The Instrument in Support of Trade Exchanges (INSTEX) was founded in 2019 as a Paris-based company. The Kingdom of the Netherlands is one of the shareholders. The goal of

INSTEX is to facilitate legitimate trade with Iran. At present, INSTEX focuses on humanitarian trade between Europe and Iran, focusing on but not limited to agriculture, food and pharma. INSTEX functions as clearing house that facilitates the exchange of payment transactions between Europe and Iran. In coordination with its Iranian counterpart, the Special Trade and Finance Instrument (STFI), INSTEX settles mutual claims and liabilities by means of clearing debts (forfeiting) within a 'closed loop' financial system that minimizes cross-border payments. For more information, see the [website of INSTEX](#).

- [Financial support for sustainable development](#): The EU has allocated funding for Iranian - European projects to demonstrate its commitment to the nuclear deal. Priority areas are sustainable economic development, green deal, digital economy and migration. The embassy will publish information when this leads to business opportunities for Dutch companies.
- [Due Diligence Helpdesk](#): To help EU SMEs in doing business with Iran, the EU founded the [Due Diligence Helpdesk](#). By using the Sanction Due Diligence Analysis Tool you can access a free-of-charge due diligence check on your potential Iranian business partner's compliance with EU Sanctions. The Due Diligence Helpdesk cannot advise on US Sanctions.

Where can you find information about US Sanctions?

The [Office of Foreign Assets Control \(OFAC\)](#) of the US Treasury Department is responsible for administering and enforcing economic and trade sanctions. The website of the OFAC states: "OFAC continues to maintain humanitarian authorizations and exceptions to our Iran sanctions that allow for the sale of agricultural commodities, food, medicine, and medical devices to Iran." If your product falls outside these categories, you can still make your case with OFAC. The Netherlands embassy, however, cannot give an indication of how successful an application for a waiver will be.

OFAC states that "it will continue to work with businesses and financial institutions to ensure that they understand U.S. sanctions and exemption rules." When you are in doubt whether your product falls under the exceptions under humanitarian grounds or you are seeking additional guidance, you can contact [OFAC's Compliance Division](#).

If you need certainty about your specific case, we recommend that you seek professional legal advice.

What other opportunities and challenges are there in trading with Iran?

As with all dealings with Iran, we urge companies to exercise thorough due diligence to ensure that they are well informed about the identity of the parties within the transaction, and to prevent fraud and other risks. The research results on compliance matters can then also be used to deliver to your bank or other institutions that may require such information.

For entrepreneurs who have the patience and are willing to invest in long-term relationships, Iran offers a very interesting market. With its 80 million consumers, a young and highly educated population, abundant natural resources, and a hunger for technologies, there is still large potential for Dutch products, services and expertise. However, beside the opportunities, significant hurdles remain. As well as the before-mentioned banking and financial challenges, you might encounter a range of other trade and investment barriers, often related to heavy government involvement in the economy. The embassy can provide you with factsheets and advice about trade and investment in Iran. Up to date versions of the factsheets can be requested at teh-ea@minbuza.nl. Factsheets are available (in English) about the following topics:

- Due Diligence & Compliance
- Establishing and Registering a Company in Iran
- Foreign Exchange Developments
- Free Zones

- Higher Education & Research
- Agriculture Education
- Agricultural Import Regulations
- Intellectual Property
- Applying for Work Permits
- Renewable Energy

Contact us

If you have the intention to do business in Iran and you would like to discuss the latest developments that might affect your business, please do not hesitate to send an email with your questions to teh-ea@minbuza.nl. For specific questions in the agricultural sphere: teh-inv@minbuza.nl (in English), or make an appointment with one of the economic counsellors at the embassy (also possible in Dutch). You can also contact the Dutch Enterprise Agency, via their [website](#) or via +31 88 042 4242.

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