Last Minute Snapback

Sanctions Against Iran Reinstated

01 October 2025

After the expiry of the 30-day deadline triggered by the snapback mechanism against Iran, the UN and the EU immediately extended their sanctions significantly. This adds a further piece to the mosaic of international sanctions, which is often already perceived as complex by business operators.

UN embargo

With the reintroduction of sanctions through the snapback mechanism, all UN member states are legally obligated to implement them (*cf.* Article 25 Charter of the United Nations). However, as with any obligation under international law or supranational law, it still requires implementation by the respective Member State.

Importantly, from a business perspective, the reinstated sanctions do not possess any retroactive effect. This signifies that contracts concluded prior to the snapback date remain legally protected and enforceable, as confirmed in paragraph 37 of the JCPOA. However, any new transactions and agreements concluded after the snapback date will be immediately subject to the renewed prohibitions.

EU restrictive measures

The European response followed immediately on Monday, 29 September2025. A press release by the Council, issued on the morning of 29 September 2025, stated that the reimposition of sanctions "include both those adopted by the UN Security Council since 2006 with successive UNSC resolutions and automatically transposed into EU law, and **EU autonomous measures**."

The statement was followed by three Council Decisions under the Common Foreign and Security Policy (*CFSP*), which, in turn, were followed by three Council Regulations that modify the Embargo Regulation. Council Implementing Regulation (EU) 2025/1980 of 29 September 2025 and Council Implementing Regulation (EU) 2025/1982 of 29 September 2025 amend Annex IX and Annex VIII respectively, listing persons, entities and bodies that will be subject to restrictions. Council Regulation (EU) 2025/1975 of 29 September 2025 amends the material scope of Council Regulation (EU) 267/2012 of 23 March 2012 (***Embargo Regulation***) and now contains, *inter alia*, prohibitions concerning:

- Export ban on newly printed or unissued Iranian denominated banknotes and minted coinage, to, or for the benefit of the Central Bank of Iran;

- Prohibition on the sale, supply, transfer, export, import, acquisition and transport of listed **dual-use goods** (except 5A002, 5D002 and 5E002), as well as other **nuclear-related goods** listed in Annex II;

- Prohibition on the sale, supply, transfer, export, import, purchase and transport of **gold, precious metals and diamonds**;

- Prohibition on the sale, supply, transfer and export of **graphite and raw or semi-finished metals**;

- Prohibition on the sale, supply, transfer and export of **key equipment or technology related for key sectors of the oil and gas industry, naval equipment, enterprise software**;

- Prohibition on the import, purchase and transport of **crude oil**, **petroleum products, natural gas and petrochemical products**.

An **authorisation** is required for certain **money transfers** to Iranian persons, entities or bodies or from an Iranian person, entity or body.

Furthermore, in line with the UN sanctions, the EU legislator opted for the inclusion of a "non-retroactivity clause". According to recital no. 8 of Council Regulation (EU) 2025/1975, "re-imposition of restrictive measures is not to apply with retroactive effect to contracts concluded before 30 September 2025, or of ancillary contracts for the execution of such contracts", provided that the contracts and their execution are consistent with the JCPOA. However, a closer look at the various Articles reveals that the execution of contracts concluded before 30 September 2025 shall only be permissible until 1 January 2026 (*cf.* Article 6 or Article 10, for instance).

But caution is required, and the devil is in the details. Not every prohibition comes along with a grandfathering clause. For instance, prohibitions that were already in force prior to yesterday's amendment are not coupled with a grandfathering clause, such as Article 15 of Regulation (EU) 267/2012 as now amended.

What to Do Now?

Companies with ongoing or planned business activities involving Iran should immediately assess their exposure to potential sanctions risks. This includes reviewing existing contracts, supply chains, financial arrangements, and compliance frameworks. Particular attention should be paid to transactions that could fall under newly reinstated UN and EU sanctions especially in sectors such as energy, aviation and finance. Contracts concluded before the snapback date may remain legally protected, but the details, especially under the EU Embargo Regulation definitely merit close attention. Early action and legal clarity are essential to adequately respond to the ever-changing legal landscape of international sanctions law.

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BLOMSTEIN will closely monitor further developments and keep you informed. If you have any questions on the reinstated Iran sanctions, Roland M. Stein, Florian Wolf, Nils-Hendrik Grohmann and the entire team is ready to assist you.

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