

IRAN IN FOCUS



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The U.S. Should Not Undeservedly Reward Iran

The United States has fully complied with all of its obligations under the Joint Comprehensive Plan of Action (JCPOA) and should provide no additional benefits to Iran until it reins in its destabilizing regional activities and clears up ongoing money laundering and terror financing concerns. Providing Iran with access to the U.S. dollar, promoting Iranian businesses, and purchasing Iranian nuclear material will only undermine current U.S. sanctions and incentivize further Iranian bad behavior.

The United States should not reward Iran's ongoing malign behavior with unilateral concessions.

- Providing Iran with further sanctions relief— without requiring commensurate concessions from Tehran—will only incentivize further Iranian bad behavior.
- America's failure to impose tougher measures in response to Iranian provocations and violations of U.N. Security Council resolutions has led Iran to conclude it can continue malign activities with near impunity.
- Congress should continue to challenge any effort to provide additional benefits to Iran beyond those explicitly enumerated in the JCPOA until Iran reins in its destabilizing regional activities, missile development, support for terrorism, and money laundering.



The United States should not continue to reward Iran for its ongoing malign behavior in the region.

Purchasing Iran's excess heavy water goes above and beyond America's commitments under the JCPOA.

- On April 22, The Wall Street Journal reported that the Obama administration is buying 32 tons of heavy water from Iran for \$8.6 million. The article quotes U.S. Energy Secretary Ernest Moniz as encouraging other nations to consider similar purchases.
- The United States should not treat Iran, a serial violator of the Nuclear Non-Proliferation Treaty, as a responsible provider of nuclear materials. This purchase agreement confers unearned legitimacy on Iran's nuclear program.
- The JCPOA put in place a mandatory cap on the amount of heavy water Iran may stockpile and prohibited it from constructing or operating a heavy water nuclear reactor for 15 years. The United States should discourage—not encourage—further Iranian production of heavy water.

- Members of Congress have raised a number of critical questions about the purpose, authorization, and funding source for this purchase. The administration should provide prompt and complete answers to these questions.
- While this initial purchase is set to be completed in the coming days, Congress should work together with the administration to preclude further nuclear purchases from Iran.

Promoting business in Iran goes above and beyond America's commitments under the JCPOA.

- The United States has publicly encouraged international banks to conduct business with Iran. American statements are a response to Iran's complaints that it is not receiving the benefits of the nuclear agreement and its threats to walk away from the JCPOA.
- The United States must resist Iranian ultimatums. America has already fully implemented its sanction relief obligations under the JCPOA—including clarifying U.S. sanction policy to international financial institutions. The United States is under no obligation to encourage business with Iran and should not do so.
- International banks are rightly concerned about doing business with Iran. The U.S. Treasury Department has labeled Iran a jurisdiction of primary money laundering concern and the Financial Action Task Force (FATF) has called for countermeasures against Iran's funding of terrorism.
- America should not encourage foreign entities to undertake risks by doing business with Iranian entities that U.S. companies and financial institutions are prohibited from doing business with.
- The United States should continue warning international banks about the dangers of conducting business with Iran, including the role of Iran's Revolutionary Guard Corps (IRGC) in the economy. The IRGC remains under U.S. sanctions, and any bank conducting business with the group risks losing access to the U.S. financial system.
- Encouraging Iran's further reintegration into the global banking system absent significant reform would endanger the security of the banking system and confer unearned legitimacy on Iran. Further, it would call into question America's leadership of worldwide efforts to counter money laundering and terrorism finance.

Iran's malign activities continue unabated.

- Since the JCPOA's conclusion, Iran has carried out numerous illegal ballistic missile tests, further destabilized Syria and Yemen, and directly confronted the U.S. military.
- In recent weeks Iran has:
 - Hosted a state visit for the terrorist group Palestinian Islamic Jihad;
 - Reaffirmed that the U.S. remains Iran's top enemy followed closely by Israel;
 - Threatened to close the vital Strait of Hormuz; and
 - Test-launched the Simorgh space launch vehicle, a key step in the development of Iran's long-range ballistic missile program.
- Iran's ongoing efforts to sow instability throughout the Middle East and beyond are an additional component of European banks' reluctance to do business with Iran. Iran's malign activities create risk for investors and expose them to the potential future imposition of sanctions.