## U.S. DEPARTMENT OF THE TREASURY

## **Press Center**



## Treasury Expands List of Basic Medical Supplies Authorized for Export to Iran and Further Clarifies Export and Financing Mechanisms Available for Humanitarian Goods

7/25/2013

WASHINGTON - Today, the U.S. Department of the Treasury took actions to reinforce longstanding U.S. Government efforts to ensure that our extensive economic and financial sanctions on Iran – adopted to encourage Iran to comply with its international obligations – do not impede Iran's humanitarian imports. Treasury's Office of Foreign Assets Control (OFAC) expanded the list of basic medical supplies authorized for export or reexport to Iran under an existing general license by adding hundreds of items; OFAC had previously issued specific licenses authorizing the export or reexport of these items. OFAC also issued further clarifying guidance on existing broad authorizations and exceptions applicable to the sale of food, agricultural commodities, medicine, and medical devices by non-U.S. persons to Iran.

"Today's action to expand the general license for the export of medical devices to Iran reflects an important element of our sanctions policy. Even as we continue to implement and enforce our rigorous sanctions regime against Iran, we are committed to safeguarding legitimate humanitarian trade," said Under Secretary for Terrorism and Financial Intelligence David S. Cohen.

In today's action, OFAC expanded the list of basic medical supplies authorized for export or reexport under an existing general license, originally issued in October 2012, to encompass a broad range of medical supplies and devices, including electrocardiography machines (EKGs), electroencephalography machines (EEGs), and dialysis machines, along with other types of equipment that are used by hospitals, clinics, and medical facilities in Iran. These items, which were previously eligible for specific licensing from OFAC, can now be exported without prior approval from OFAC. Exporters are also still encouraged to apply for specific licenses for medical devices that may not be included in today's expanded list.

Even as the U.S. and international sanctions have tightened, the Treasury and State Departments have had extensive discussions with foreign pharmaceutical and medical supply companies that sell, export, and get paid for exports to Iran, as well as the foreign financial institutions involved in those transactions, to ensure that the exemptions from our sanctions are understood. Medicine and medical supply exporters reporting barriers to trade have repeatedly pointed to obstacles placed by the Government of Iran, including the Central Bank of Iran's failing to allocate sufficient foreign currency. The Central Bank of Iran has access to sufficient foreign currency funds outside of Iran - which are otherwise usable only to fund bilateral trade - to finance the import of medicines and medical equipment.

As OFAC has made clear in its Clarifying Guidance: Humanitarian Assistance and Related Exports to the Iranian People, issued on February 6, 2013, and in the Iranian Financial Sanctions Regulations (31 C.F.R. part 561) (IFSR) [\*1], foreign financial institutions may process transactions for the purchase of humanitarian goods including, food, agricultural commodities, medicine, and medical devices, using funds in Central Bank of Iran accounts without being subject to U.S. sanctions. Today's Guidance on Sales of Food, Agricultural Commodities, Medicine, and Medical Devices to Iran is meant to ensure that all parties to these transactions fully understand the broad humanitarian allowances embedded in our sanctions laws.

For a link to the expanded List of Basic Medical Supplies authorized for export or reexport to Iran issued today click here

For a link to OFAC's Guidance on Sales of Food, Agricultural Commodities, Medicine, and Medical Devices to Iran click here

For a link to OFAC's Clarifying Guidance: Humanitarian Assistance and Related Exports to the Iranian People click here

For a link to OFAC's Iranian Financial Sanctions Regulations click here

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[\*1] See in particular IFSR section 561.203(g) and Note 2 to IFSR section 561.203. See also Question 314 on the list of Frequently Asked Questions posted on OFAC's Web site.