

Due Diligence Helpdesk on EU Sanctions

for EU SMEs
dealing with Iran



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dealing with

IRAN

Funded by the
European Union



Project Background

Contracting Authority: European Commission, Service for Foreign Policy Instruments (FPI)

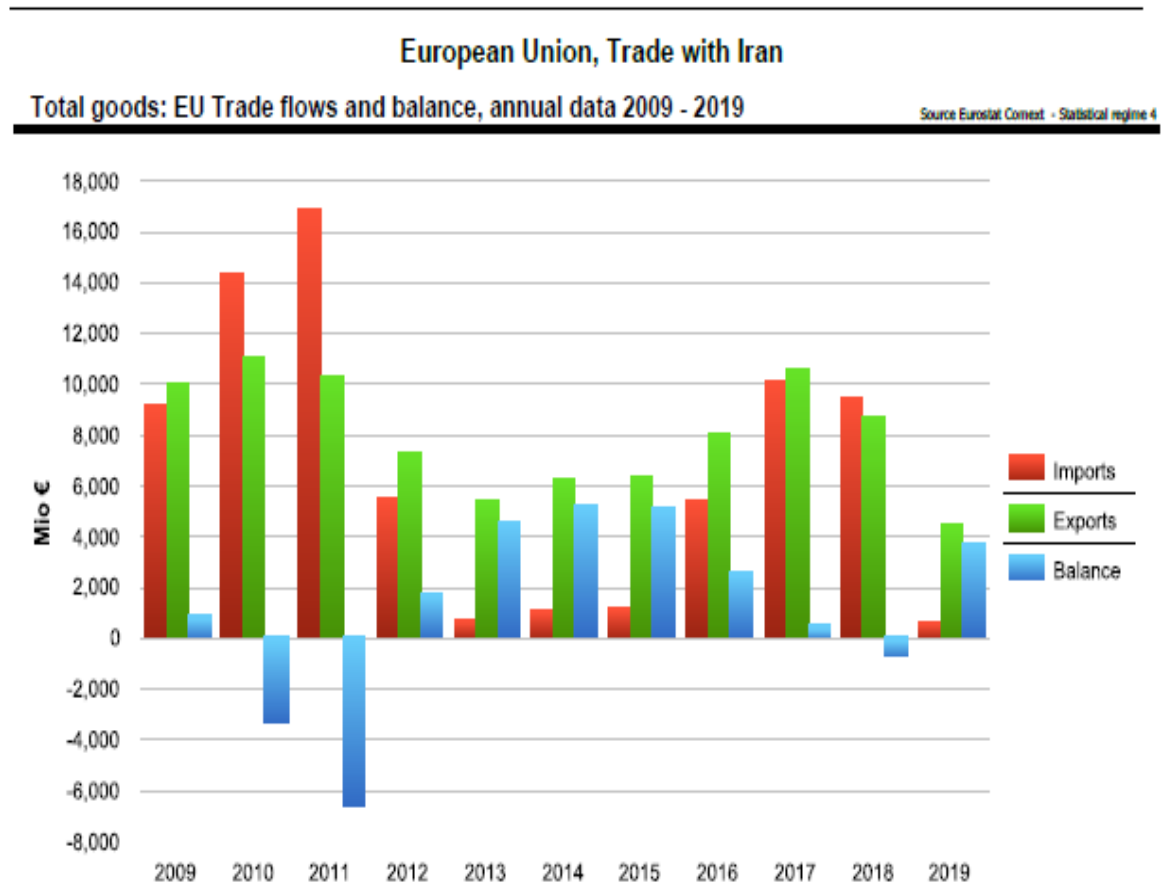
The Joint Comprehensive Plan of Action (JCPOA) entered and executed in 2015 between Iran and the P5+1 (China, France, Germany, Russia, UK and US) as well as the EU, discusses all the rights and obligations of the parties including the term, exemptions and the remaining EU restrictive measures (sanctions) and US sanctions.

European businesses interested in doing business with Iran must consider whether their activities would fall under any existing sanctions as applicable and ensure that appropriate due diligence is carried out before engaging in any business activity.

Many businesses, in particular SMEs, are not always able to allocate resources to carry out due diligence checks. To avoid uncertainty about the legality of conducting any potential business with Iran, they may therefore be inclined to abstain from pursuing legitimate business opportunities.

The Iranian Market

- European Countries have enjoyed a long trading history with Iran
- Role of INSTEX (Instrument in Support of Trade Exchanges)
- Challenges - Money laundering & international terrorist financing
- COVID 19 & INSTEX 1st Transaction - blood treatment equipment from Germany (March 31, 2020 for €500,000)



Overall Objective

To support EU businesses interested in doing legitimate business with Iran, in particular Small and Medium-sized Enterprises (SMEs), in compliance with the EU sanctions legislation, and as part of the EU's continued commitment to the JCPoA.



Helpdesk Services

A

Identification and enrolment of helpdesk users

B

Due diligence
Orientation &
Automated Initial
Assessment
(Level 1)

C

- Document Verification (Level 2)
- On the Ground Research (Level 3)

D

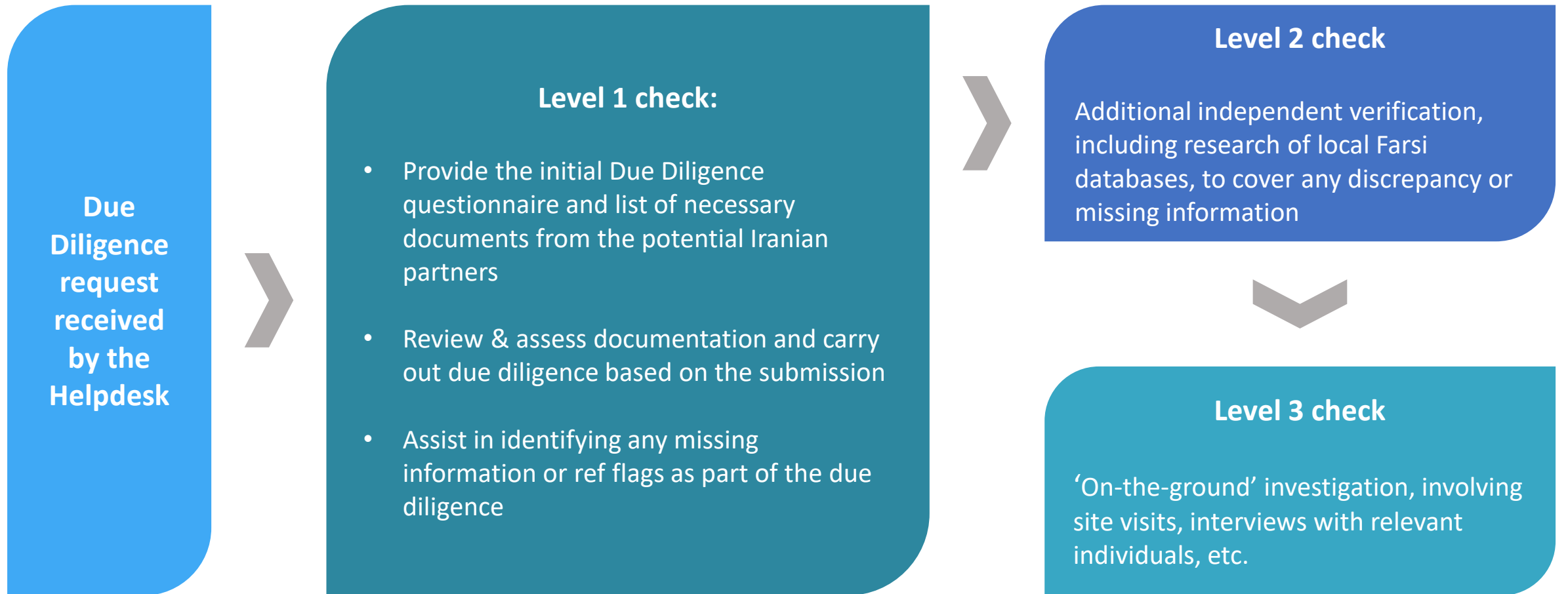
Ancillary services

- Information
- Additional Resources

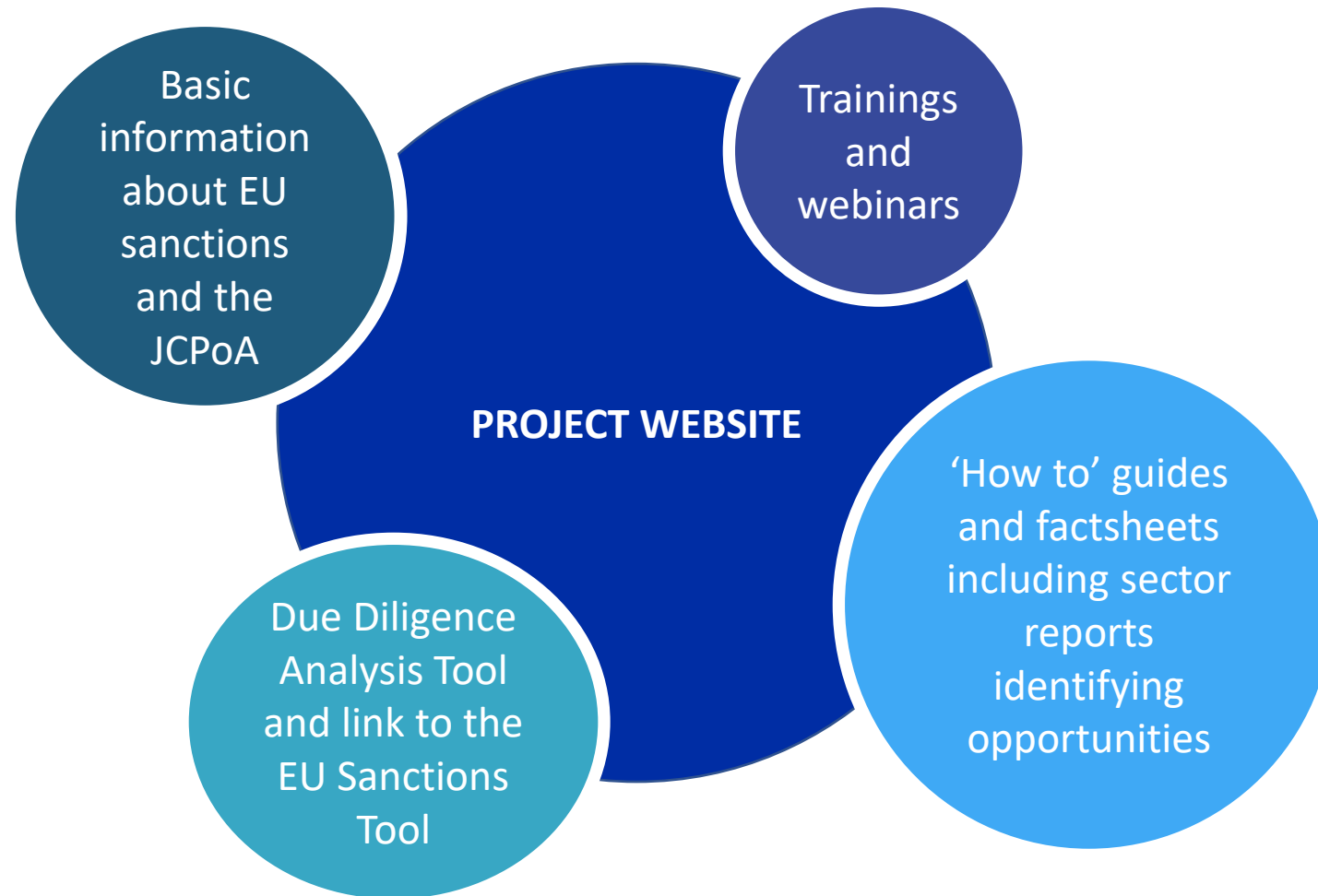
Goals

- Provide concrete support to EU businesses by carrying out due diligence regarding **EU sanctions compliance** for specific business projects;
- Help reduce transaction costs for EU SMEs dealing with Iran;
- Encourage EU businesses to engage in Iran by applying a due diligence concept based, *inter alia*, on principles elaborated within the framework of the Commission's preceding action financed under the Partnership Instrument ("*Due diligence for EU operators related to Iran*");
- Reassure European banks, which may be currently reluctant to handle transactions involving Iran by providing EU SMEs with well-researched due diligence documentation on their Iranian business partners;
- Demonstrate the EU's continued commitment to the JCPoA by allocating significant funds to improving EU-Iran trade.

Levels of Due Diligence



Website



EU Sanctions Tool

- Initial general assessment of compliance with EU Sanctions
- Provides general guidance on the potential partner & activity envisioned by the EU SME to be conducted with the potential Iranian partner
- Designed using a decision tree model
- Independent from the Helpdesk with the link provided on the Helpdesk website



Due Diligence Analysis Tool

Helpdesk Team receives and processes requests from EU SMEs for conducting due diligence using comprehensive forms available on the website.

Based on the disclosure quality and any red flags in the submitted documentation, the team will conduct Level 1-3 due diligence.

GDPR (General Data Protection Regulations) & compliance with privacy law are of utmost importance during the process.



Other Helpdesk Services



Organizing
trainings and
webinars



Supporting
business
matchmaking
events



Publication of business
guides, factsheets and
other information
materials

Thank you!

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