

United Nations, European Union and United Kingdom Reimposed Sanctions on Iran

November 5, 2025

On September 28, 2025, the United Nations Security Council (the “UNSC”) implemented the “snap back” mechanism under the Joint Comprehensive Plan of Action (the “JCPOA”) to re-impose comprehensive financial and trade sanctions against Iran. In addition to revival of the United Nations sanctions, the European Union (the “EU”) reintroduced the same sanctions as were in force prior to the JCPOA, and the United Kingdom (the “UK”) announced preparation of a new Iran sanctions program.

This process is particularly notable as, had it not been for the “snap back” process initiated by France, Germany and the UK on August 28, 2025, the JCPOA was due to expire on October 18, 2025, which would have meant full and final termination of the UNSC, EU and UK nuclear-proliferation-related sanctions framework. However, reimposition of EU and UK sanctions will likely have limited practical effect, as many European and British businesses have been treating Iran with great caution since 2018, when the United States (the “U.S.”) unilaterally withdrew from the JCPOA and reintroduced U.S. secondary sanctions against Iran.

OVERVIEW OF JCPOA HISTORY

The JCPOA took effect on October 18, 2015 between Iran, the “E3” (France, Germany and the UK), the EU, China, Russia and the U.S.¹ Pursuant to the JCPOA, Iran promised to shut down its nuclear weapons program in exchange for phased lifting of nuclear-proliferation-related UNSC and EU sanctions and U.S. secondary sanctions (see our [July 17, 2015 Client Update](#) and [October 28, 2015 Client Update](#)).

On January 16, 2016, the International Atomic Energy Agency announced that Iran completed the preparatory steps provided for by the JCPOA. This triggered the main sanctions relaxations set out in the JCPOA, which included the U.S.: (i) lifting its “secondary sanctions” imposed on Iran relating to its nuclear program, which permitted the U.S. to impose blocking sanctions on persons anywhere in the world undertaking

¹ Joint Comprehensive Plan of Action, Vienna (14 January 2015), available [here](#).

certain types of transactions with Iranian counterparties; (ii) authorised non-U.S. subsidiaries of U.S. companies to engage in most dealings with Iran; and (iii) removed certain individuals and entities from the U.S. sanctions list. Primary U.S. sanctions—those prohibiting U.S. companies and individuals from dealing with Iran—remained in place. The EU similarly terminated most of its nuclear-proliferation-related sanctions set out in Council Regulation (EU) 267/2012 (which included, for example, wide-ranging fund transfer restrictions prohibiting nearly any trade with Iran) and also removed numerous Iranian individuals and entities from the EU asset freeze list (see our [January 19, 2016 Client Update](#)).

While the JCPOA was initially heralded as a success, on May 8, 2018, U.S. President Donald Trump announced that the United States was unilaterally withdrawing from the JCPOA, and, after a short wind-down period, on November 4, 2018, U.S. sanctions relief was revoked (see our [May 9, 2018 Client update](#)). While this was by all means a fatal blow to this process, the U.S. withdrawal did not technically invalidate the JCPOA, and for a number of years the EU and UK attempted to keep the agreement alive through further engagement with Iran. In practice, however, the return of the threat of U.S. secondary sanctions was enough to dissuade most businesses from taking advantage of the continued EU and UK sanctions relaxations.

Ultimately, on January 3, 2020, Iran declared that it would no longer comply with any of its obligations under the JCPOA. Following that declaration, on January 14, 2020, E3 invoked the JCPOA's dispute resolution mechanism (see our [January 22, 2020 Client Update](#)). The dispute resolution mechanism involved multiple stages of negotiations and determinations which ultimately did not lead to breaking of the impasse. In 2021 and 2022, the E3 and EU made several further efforts to encourage Iran's compliance, including through negotiation.²

October 18, 2023, the eighth anniversary of the JCPOA, known as the "Transition Day", could have been marked by further removal of sanctions from Iran. However, the parties to the JCPOA decided to take no action, as Iran continued to fail to comply with its commitments under the JCPOA.³

E3 TRIGGER "SNAPBACK" MECHANISMS

The next JCPOA milestone would have been October 18, 2025, the 10th anniversary of the JCPOA, known as the "Termination Day". On the "Termination Day", should the

² Letter from E3 (UK, France, Germany) foreign ministers (8 August 2025), available [here](#).

³ Letter from E3 (UK, France, Germany) foreign ministers (8 August 2025), available [here](#).

UNSC take no further action, the UNSC resolutions imposing nuclear-proliferation-related sanctions on Iran would terminate.⁴

As expected from years of Iranian noncompliance, the remaining participants in the JCPOA took action to prevent this outcome. Specifically, on August 28, 2025, the UK, France and Germany, following prolonged diplomatic efforts, notified the UNSC that Iran is “*in significant non-performance of its commitments under the JCPOA*”.⁵ This triggered the “snap back” mechanism giving the UNSC 30 days to pass a resolution for sanctions relief to continue, in the absence of which all sanctions previously lifted pursuant to the JCPOA would revive.⁶ This means that on September 28, 2025, the UNSC sanctions targeting Iran were reimposed.

EU SANCTIONS

On September 29, 2025, the Council of the EU adopted Regulation (EU) 2025/1975, which revived all restrictive measures lifted back in 2016. The Regulation implements sanctions set out in the UNSC resolutions (an arms embargo, trade controls on goods and technology which could contribute to Iran nuclear activity and an asset freeze for individuals and entities involved in such activity) and further sectoral restrictions and corresponding assets freezes developed in support of the UNSC resolutions.

Among the most impactful measures reimposed by the EU on Iran are:

- Fund transfer restrictions: These prohibit unauthorised transfers of funds to and from any Iranian person, entity or body (including Iranian financial institutions); and
- Oil trade restrictions: These prohibit importing, purchasing or transporting crude oil, petroleum, natural gas and petrochemicals products originating or exported from Iran into the EU and providing financing, financial assistance or (re)insurance related to the restricted trades.

EU sanctions against Iran will also target, among other activities, trade in gold, precious metals and diamonds; export to Iran of graphite, raw or semi-finished metals, equipment for the oil and gas industry and naval equipment; investments into Iranian oil and gas or petrochemical industry projects; provision of services to Iranian vessels;

⁴ Joint Comprehensive Plan of Action, Vienna (14 January 2015) at [34], available [here](#).

⁵ E3 foreign ministers’ letter announcing triggering of snapback (28 August 2025), available [here](#).

⁶ UNSC resolution 2231 (2015) at [12], available [here](#).

trades in public bonds issued by Iran; and provision of banking and insurance services for Iranian persons.

UK SANCTIONS

On September 29, 2025, the UK imposed asset freezes and travel bans on 71 individuals and entities linked to Iran's nuclear program.⁷ On October 1, 2025, the UK amended Iran (Nuclear) (Sanctions) (EU Exit) Regulations 2019 to reflect the "snapback" of UNSC sanctions against Iran, including the arms embargo, restrictions on export of nuclear industry goods and technology to Iran and further asset freeze designations.⁸

The UK government announced that it intends "*to impose further sectoral measures*" targeting finance, energy, shipping, software and other significant industries which are advancing Iranian nuclear escalation.⁹ The UK government mentioned that these measures will be "*in line with*" measures of the UK's "*partners*". This suggests that the UK may want to cover the same scope of anti-nuclear proliferation measures as the EU, although it might diverge from EU sanctions instruments (as it did in case of Russia-related sanctions).

KEY TAKEAWAYS

While reimposition of EU and UK sanctions on Iran is a major political development, it is likely to have relatively limited practical impact on international business. In fact, Western businesses have already significantly limited if not entirely terminated their dealings with Iran following the reimposition of U.S. Iran-related secondary sanctions in 2018.

Those who continue doing business in Iran and with Iranian counterparties are advised to revisit their sanctions and export controls compliance programs and risk assessments and rescreen all active counterparties to identify whether the revival of Iran sanctions poses new challenges for the business.

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⁷ Press Release of the FCDO, "UK applies sanctions on links to Iran's nuclear programme" (Sept. 30, 2025), available [here](#).

⁸ Press Release of the FCDO, "UK reimposes UN sanctions on Iran" (Oct. 1, 2025), available [here](#).

⁹ Press Release of the FCDO, "UK applies sanctions on links to Iran's nuclear programme" (Sept. 30, 2025), available [here](#).

Please do not hesitate to contact us with any questions.



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