

Due Diligence Helpdesk on EU Sanctions

for EU SMEs
dealing with Iran



Due Diligence on
EU Sanctions

for EU SMEs
dealing with

IRAN

Funded by the
European Union



Project Background

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

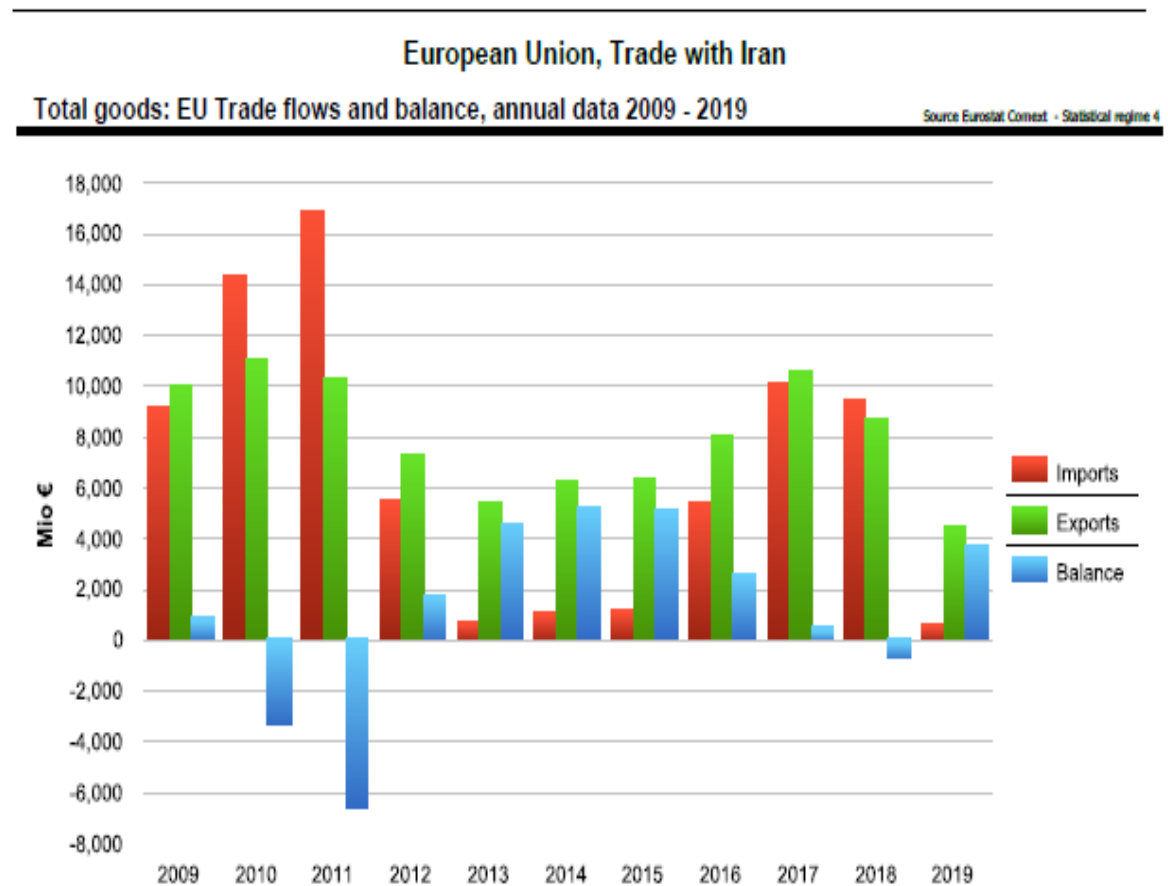
The Joint Comprehensive Plan of Action (JCPOA) entered and executed in 2015 between Iran and the P5+1 (China, France, Germany, Russia, UK and US) as well as the EU, discusses all the rights and obligations of the parties including the term, exemptions and the remaining EU restrictive measures (sanctions)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

C

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

D

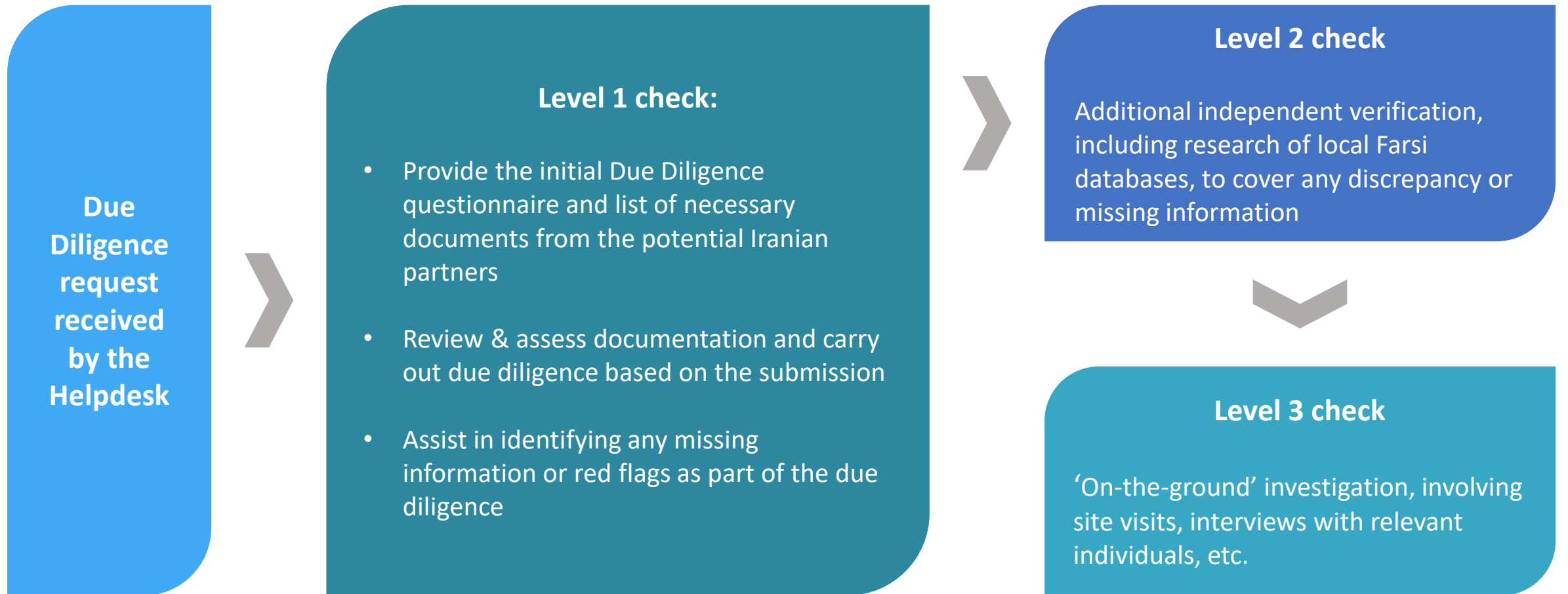
Ancillary services

- Information
- Additional Resources

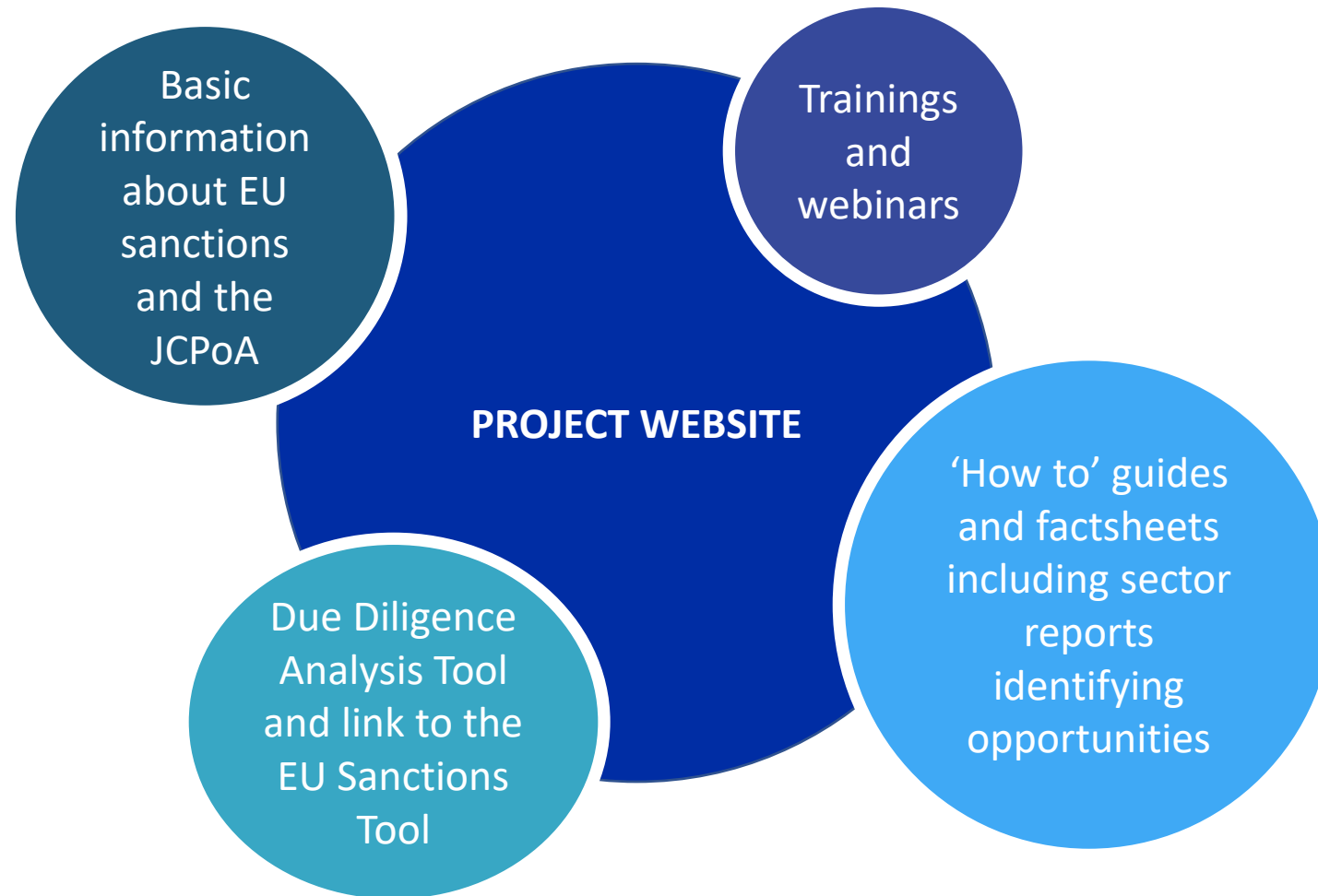
Goals

- 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



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.



Due Diligence Orientation Reports

For EU companies who do not yet have a specific business project planned for Iran, but would like to get more information about the sanctions and the Iranian market

The Orientation Reports provide data on due diligence requirements for EU companies in Iran, as well as personalised information on relevant contacts in the company's home country

CONTENTS

What is the Due Diligence
Orientation Report?

UN and EU autonomous
sanctions in relation to Iran

How can the Due Diligence
Helpdesk help?

How to make an enquiry

General information about EU
sanctions, the JCPoA, and their
relevance for EU SMEs

Key resources regarding
sanctions-based due diligence
on Iran

Relevant Member State
authorities

Relevant sector associations and
business intermediaries

Market information

Information on relevant Member
State financial institutions (FIs)

Due Diligence Orientation Report

European
Commission

Other Helpdesk Services



Organizing
trainings and
webinars



Supporting
business
matchmaking
events



Publication of business
guides, factsheets and
other information
materials

Key Helpdesk Figures

200 + enquiries answered, more than 100 full due diligence reports delivered

Key focus sectors:

- Agriculture
- Pharmaceuticals
- Medical devices
- Machinery
- Consumer goods

Top EU Member State users of the Helpdesk include:

Austria / Germany / Italy /
Netherlands / Spain



Case study: the typical DD process

1. The Helpdesk receives an enquiry by an EU SME via email and recommends that the EU SME submits a request for DD through the [Helpdesk website](#).
2. The EU SME uses the [Due Diligence Analysis Tool](#) to file a request for DD
3. The Helpdesk Team examines the case, in particular:
 - The proposed Iranian business partner
 - The proposed business activity
4. Upon concluding its investigation, the Helpdesk Team sends a detailed output report to the EU SME. If legal uncertainties are involved in the business case, the Helpdesk Team will escalate the case to Level 2/3 for a more detailed analysis.

The process will now be presented in detail

Thank you!

info@sanctions-helpdesk.eu

www.sanctions-helpdesk.eu



Due Diligence on
EU Sanctions

for EU SMEs
dealing with

IRAN

Funded by the
European Union

