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Doing Business in Iran: Joseph R. Biden; New Path Forward

By Shahram Safai | 8 November 2020

The landscape for doing business in Iran may have changed significantly with the election of Joseph R. Biden as President of the United States.

On July 14, 2015, the P5+1 (the United States, the United Kingdom, Germany, France, China and Russia), the European Union and Iran agreed and signed a Joint Comprehensive Plan of Action (“JCPOA”) contemplating the easing of certain Iran related sanctions. On October 18, 2015, Adoption Day, the JCPOA came into effect and signatories began embarking on the steps necessary for implementation of the JCPOA. On January 16, 2016, and after the International Atomic Energy Agency’s verification of Iran’s commitments under the JCPOA, the United Nations, the European Union and the United States ceased the application of sanctions relating to certain sectors of business activity with respect to Iran (*i.e.* no longer restricting non-US persons from engaging in certain activities) and doing business with Iran began again.

It is important to note that the US sanctions on Iran restricting US persons from dealings related to Iran (“US Primary Sanctions”) always continued in full force and were not affected by the JCPOA (as opposed to the U.S. sanctions regime concerning non-US persons’ dealings related to Iran (“US Secondary Sanctions”); it was these US Secondary Sanctions that ceased to apply as of January 16, 2016.

However, in 2018 the French, German and British governments had been in talks with the United States with respect to its concerns regarding the JCPOA for many months. Even though the United States had agreed to the deal in 2015, the US expressed serious concerns about certain aspects of the deal and decided to withdraw from the Iran nuclear deal (*i.e.* JCPOA).

The US government, in light of its withdrawal, reimposed certain US Secondary Sanctions with respect to Iran on August 6, 2018, with any remaining US Secondary Sanctions reimposed by November 4, 2018.

New Path Forward

However, with the election of Mr. Biden as President, there may be a new path forward with respect to Iran. Indeed Mr. Biden has stated that the US would rejoin the JCPOA if Iran returns to strict compliance with the JCPOA. If this occurs, it would usher in a new chapter in the economic and geopolitical landscape of the Middle East as well as renewed investment and business opportunities (and challenges). ■

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Shahram's practice consists of corporate law, real estate law, disputes, and advising on the legal aspects of doing business in the region. He also advises on private equity and venture capital transactions. He heads the firm's real estate and venture capital teams and has been highly sought after by boards and shareholders for strategic legal advice. He is active in lobbying for, providing constructive feedback to and advising government organizations regarding regional laws and regulations pertaining to doing business, real estate and venture capital investment.

His practice involves advising clients with respect to investments, joint ventures, as well as introduction to sector specific private and public entities. Such advice generally involves franchise and agency matters, build-operate-transfer transactions, regulatory compliance and strategies, foreign investment protection regimes, sanctions and anti-money laundering implications. Shahram is fluent in Farsi and he is a qualified solicitor in England and Wales and a member of the California State Bar. He is also a registered professional engineer.

Shahram's specific doing business in the region related work has included advice relating to:

- Manufacturing sector joint ventures, commercial agency arrangements and local partner introduction.
- Onshore and Free zone entry advice, incorporation and liaison.
- Private equity transactions involving financial institutions.
- Build-operate-transfer arrangements related to the oil and gas sector.
- Hospitality industry legal and regulatory matters as well as related construction matters.

Shahram is described as "a cut above the rest with thorough knowledge, sharp analytical prowess, understanding of the industry, good relationships with government authorities and the best of communication skills" (Legal 500 EMEA). He is described as "quick, responsive and forthright" and a "Leader in [his] Field" (Chambers Global).

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