

EU threatens to BLOCK sanctions against Iran in USA showdown

THE European Union is preparing for a showdown with the United States as Brussels considers new regulations to protect EU firms doing business in Iran in case Donald Trump scraps the 2015 nuclear deal and restores tough sanctions.



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Donald Trump has demanded EU nations ‘fix’ the Iran nuclear deal or he will pull the US out European countries, including the UK, have been looking at ways to increase trade with Iran since 2016 when world leaders agreed to lift most economic sanctions on the Middle Eastern nation in exchange for strict limits on its nuclear programme.

But President Trump has pledged to restore ‘extraterritorial’ sanctions unless Britain, France and Germany agree to change what he has branded the “worst deal ever” to his liking.

Iran hit back today, branding Mr Trump’s policy “destructive” and insisting the US and EU should ensure the 2015 accord is a success before demanding to negotiate on other issues, such as Tehran’s ballistic missile programme.

Mr Trump threatened to pull out of the nuclear deal in January, but stopped short

of upending it and instead opted to extend the agreement for another 120 days.

However, he warned it was Europe's "last chance" to "fix the terrible flaws" of the accord.

The so-called extraterritorial sanctions apply to foreign firms carrying out transactions in US dollars.

And because they apply even if the operations involve non-American companies, they have been a major reason preventing international banks and businesses from returning to Iran.

The strict rules allowed in US authorities to fine Paris-based lender BNP Paribas nearly £5.34bn (\$9bbn) in 2014.



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Ayatollah Ali Khamenei has praised EU nations for trying to keep the nuclear deal alive

The firm was sentenced by a court in the US for violating sanctions in Iran, Sudan and Cuba.

Speaking at a Euromoney conference in Paris, Denis Chaibi, head of the Iranian

taskforce at the EU's external action service, said a possible option for avoiding a repeat of the BNP Paribas case was to resurrect a 1996 system of 'blocking regulations' which would protect firms.

He said: "We are looking at a number of possibilities. It is not complicated to do it legally in that the legal instrument exists, but it doesn't require a huge internal debate."

The regulations agreed in 1996 were passed as a countermeasure to US extraterritorial sanctions against Cuba, which EU countries argued benefited American interests at the expense of European sovereignty.



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Mr Trump has blasted the Iran nuclear accord as the 'worst deal ever' Iranian officials have repeatedly said the reluctance of major European banks to return to Iran has slowed its economic improvement, and they have consistency called on European leaders to encourage businesses to return.

Iran's Supreme Leader Ayatollah Ali Khamenei has praised EU signatories of the deal for trying to keep it alive.

But he has also demanded an appropriate reaction if Mr Trump orders the US out of the accord.

Theresa May has previously told the President the nuclear deal is “vitally important for regional security”.

Speaking with him in October, the Prime Minister said the deal needed to be “carefully monitored and properly enforced”.

Source: <https://www.express.co.uk/news/world/916474/european-union-news-iran-nuclear-deal-donald-trump-imposed-usa-sanctions-blocked>

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