



Iran Ballistic Missile Procurement Advisory

The Department of Commerce, the Department of State, the Department of the Treasury, and the Department of Justice are issuing this advisory to alert persons and businesses globally to Iran's ballistic missile procurement activities. This advisory includes sections on:

Deceptive techniques used by Iranian ballistic missile procurement networks (Annex 1), including efforts to obscure the identity of end-users through transaction layering, falsifying documentation, use of third countries for transshipment, and financing schemes.

Iranian ballistic missile-related entities (Annex 2), including subsidiaries of Shahid Bakeri Industrial Group (SBIG), Shahid Hemmat Industrial Group (SHIG), and other ballistic missile-related entities of concern.

Key goods sought by Iran's missile program (Annex 3), including specific types of production and testing equipment; raw materials; electronics; and guidance, navigation and control equipment.

Relevant U.S. sanctions and export control authorities (Annex 4), including the Iran, North Korea, and Syria Nonproliferation Act (INKSNA) (P.L.109-353); the Arms Export Control Act (22 U.S.C. 2778) and the Export Administration Act of 1979 (50 U.S.C. 4601 note); Executive Order (E.O.) 12938; E.O. 13382; and the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA).

Minimizing sanctions and export control risk (Annex 5), including for enforcement actions that may be undertaken pursuant to various U.S. legal authorities, including the Export Control Reform Act of 2018 (ECRA) (50 U.S.C. 4801-4852).

The United States is committed to countering Iran's ballistic missile development and proliferation activities, including related Iranian procurement efforts. We will hold accountable those assisting Iran's ballistic missile program, regardless of the location or nationality of those providing the assistance. Private industry is on the front line of detecting and denying Iran's procurement efforts, and consequently it is critical that companies be familiar with the techniques, entities, goods, and technologies involved in Iran's ballistic missile procurement efforts. Iranian procurement networks are active in many countries, and relevant industries should be keenly aware that foreign inputs are required for Iran's ballistic missile program to support efforts to increase the lethality and accuracy of Iran's ballistic missile systems.

This advisory provides information specifically relevant to the private industry in both the United States and abroad on the deceptive practices, key red flags, and other important indicators of ballistic missile-related procurement efforts by Iran. The purpose of this consolidated document is to assist businesses in implementing effective due diligence policies, procedures, and internal controls relevant to Iran's ballistic missile program, thereby ensuring full compliance with applicable U.S. legal requirements.^a

^a This advisory is limited to considerations that may arise under U.S. legal authorities. Businesses operating in multiple jurisdictions should familiarize themselves with applicable third-country laws and regulations.

Annex 1. Deceptive Techniques Employed by Iranian Ballistic Missile Procurement Networks

Iran has the largest ballistic missile program in the Middle East, with more than 10 distinct ballistic missile systems either in its inventory or in development, and a stockpile of hundreds of missiles. Iran continues to develop a range of solid- and liquid- propellant short- and medium-range ballistic missile systems, and is exploring multiple pathways to advance its missile capabilities.

Iran seeks foreign-produced goods and technologies that it cannot produce domestically for use in its ballistic missile programs. Iran may target sophisticated U.S. items, such as technologies for precision optical components and integrated circuits, due to their high quality and advanced technical specifications and capabilities, both directly from U.S. companies and through the international market. To prevent Iran's acquisition of these items, the United States imposes substantial restrictions on exports to Iran. However, to avoid scrutiny, Iran often seeks advanced U.S. and other foreign components and equipment, some of which may not be subject to multilateral export controls, via third countries. See Annex 3 for a list of key commodities sought by Iran's missile program.

Iran maintains an extensive overseas network of procurement agents, front companies, intermediaries, and suppliers to obtain sensitive dual-use items. These procurement networks use a variety of methods to evade export controls and sanctions, including: obscuring the end user through a layered approach, falsifying end-use documentation and shipment details, routing shipments through several countries, and using deceptive tactics to access the U.S. and international financial systems.

Obscuring the End User Through Transaction Layering: Iranian procurement agents routinely route shipments, communications, and finances through several layers of companies, brokers, and intermediaries. The layers provide buffering between an unwitting product manufacturer or supplier and the ultimate Iranian missile program end user, and the number of layers can vary by procurement attempt. Communication is also routed through many steps, with brokers associated with front companies and suppliers communicating (and entering into transactions) directly to avoid involvement of the Iranian missile program end user.

Falsifying Documentation: Shipping documentation, such as bills of lading and shipping invoices, may be falsified by suppliers or front companies at any stage during shipment to conceal shipping routes, embarkation ports, consignees, and/or shipping agents. Sensitive items may be **mislabeled** and **marked as general-purpose goods** that are widely available commercially, to evade notice or extra scrutiny by port or shipping officials. For delivery, entities may consolidate and repackage items for onward shipment to Iran, hiding the true end user from the manufacturers and distributors of the items.

Use of Third Countries for Transshipment: Iranian procurement agents will often route shipments through multiple countries prior to onward shipping to Iran. Shipping documentation may list a company in a third country as the ultimate end-user. After receiving the consignment

of goods, a third-party company will ship directly to Iran or ship through another foreign-based company for subsequent shipment to Iran.

Financing schemes: Iranian procurement agents may use deceptive methods to access the international and U.S. financial systems. The entities involved in these schemes range from state-owned entities and financial institutions in Iran, to brokers, agents, banking representatives, and even diplomats based in other countries. These entities generally establish and utilize a complex and long-standing network of front and shell companies outside of Iran or use aliases to mask the origin and true purpose of the funds. These entities also use these companies to establish multiple bank accounts in foreign jurisdictions and use the international banking system to generate funds and facilitate transactions that either finance or provide supplies benefiting the regime and its weapons programs.

Annex 2. Iranian Ballistic Missile-Related Entities

Iran's ballistic missile program is led by two primary entities: the Aerospace Industries Organization (AIO) and the Islamic Revolutionary Guard Corps (IRGC), both of which have been sanctioned by the United States. AIO and IRGC oversee several subordinate missile entities and front companies that procure foreign goods for Iran's ballistic missile programs. Under AIO and IRGC, Iran's primary end users for ballistic missile-related goods procurements include:

Shahid Bakeri Industrial Group (SBIG): SBIG is subordinate to AIO and responsible for Iran's solid-fueled ballistic missile program. It seeks missile components through established networks comprised of domestic and foreign-based brokers, intermediaries, and suppliers. SBIG is designated by the United States pursuant to E.O. 13382. SBIG also is on the Department of Commerce's Entity List. Key SBIG subordinates include the following, all of which have been designated by the United States pursuant to E.O. 13382:

- Shahid Kharrazi Industries: Responsible for development and production of solid-propellant missile guidance and control systems.
- Shahid Sanikhani Industries: Responsible for casting and curing solid propellants.
- Shahid Moghaddam Industries: Responsible for the development and production of solid-propellant missile motor cases, ballistic missile launchers, and ground support equipment.
- Shahid Eslami Research Center: Primary research and development organization within SBIG.
- Shahid Shustari Industries: Responsible for the development of fiber structural materials.

Shahid Hemmat Industrial Group (SHIG): SHIG is subordinate to AIO and responsible for Iran's liquid-fueled ballistic missile program. It seeks components through established networks comprised of domestic and foreign-based brokers, intermediaries and suppliers. SHIG is designated by the United States pursuant to E.O. 13382. SHIG also is on the Department of Commerce's Entity List. Key SHIG subordinates include the following, all of which have been designated by the United States pursuant to E.O. 13382:

- Shahid Karimi Industries: Responsible for production of missile structural components.
- Shahid Rastegar Industries: Responsible for development and production of liquid-propellant ballistic missile engines.
- Shahid Cheraghi Industries: Responsible for development and manufacturing of liquid propellants.
- Shahid Varamini Industries: Responsible for researching and developing ballistic missile-related guidance and control systems.
- Shahid Kalhor Industries: Responsible for manufacturing and maintaining missile launchers and ground support equipment.
- Amir Al Mo'Menin Industries: Provides a variety of ballistic missile-related research and production services.

The IRGC Aerospace Force Self-Sufficiency Jihad Organization (ASF SSJO) and IRGC Research and Self Sufficiency Jihad Organization (RSSJO): Both IRGC ASF SSJO and RSSJO seek ballistic missile-related goods and technologies to advance Iran's ballistic missile program. ASF SSJO is involved in ballistic missile research and flight test launches, and RSSJO

is responsible for research and development of ballistic missiles. Both the ASF SSJO and RSSJO are designated by the United States pursuant to E.O. 13382. ASF SSJO and RSSJO are also on the BIS Entity List.

Other entities that have been associated with Iran's procurement or other missile activities include:

Ministry of Defense and Armed Forces Logistics (MODAFL): MODAFL is responsible for defense research, development and manufacturing across Iran's defense enterprise including ballistic missiles. It is designated by the United States pursuant to E.O. 13382 and E.O. 13224.

Center for Innovation and Technology Cooperation (aka CITC; Technology Cooperation Office; TCO; Office of Scientific and Technical Cooperation; F.K.A. Presidency Office of Scientific and Industrial Studies; F.K.A. Office of Scientific and Industrial Studies): These entities are linked to Iran's development of systems capable of the delivery of nuclear weapons. They support Iran's nuclear and missile programs through foreign procurement and training links. These entities are designated by the United States pursuant to E.O. 13382.

Ebtekar Sanat Ilya LLC: Procures U.S.-origin, military-grade electronics and supports SBIG and SHIG. It is designated by the United States pursuant to E.O. 13382.

Iran Space Agency: Pursues development of launch vehicle technology and is designated by the United States pursuant to E.O. 13382.

Iran Space Research Center: Subordinate to the Iran Space Agency and has worked with SHIG on several projects. It is designated by the United States pursuant to E.O. 13382.

Astronautics Research Institute (aka Astronautics Systems Research Center; Aerospace Research Institute): Subordinate to the Iran Space Agency. Managed a project involving a space launch vehicle, the first stage of which is based on a Shahab-3 medium range ballistic missile. It is designated by the United States pursuant to E.O. 13382.

Jahan Tech Rooyan Pars (aka Jahan Tech Rooyan Pars Co.; Jahan Tech): Involved in the procurement of carbon fiber suitable for use in ballistic missiles. Worked with Mandegar Baspar Kimiya Co. (see below) on the procurement. It is designated by the United States pursuant to E.O. 13382.

Jestar Sanat Delijan: Part of an IRGC RSSJO-affiliated network involved in procuring ballistic missile propellant and related materials in support of Iran's ballistic missile program. It is designated by the United States pursuant to E.O. 13882.

Mandegar Baspar Kimiya Co. (aka Mandegar Baspar Fajr Asia; Javid Bardiya Tejarat): Involved in procurement of carbon fiber suitable for use in ballistic missiles and has worked with Jahan Tech Rooyan Pars. It is designated by the United States pursuant to E.O. 13382.

Matin Sanat Nik Andishan (aka MASNA; MSNA; Iranian Novin Systems Management): Procures ballistic missile-applicable materials for SHIG and has conducted transactions for AIO. It is designated by the United States pursuant to E.O. 13382.

Navid Composite Material Co. (aka Navid Composite): Produces carbon fiber. Has sought assistance from Asian firms since at least 2012 to produce a carbon fiber production line capable of producing up to 150 metric tons of fiber per year suitable for ballistic missile use. It is designated by the United States pursuant to E.O. 13382.

P.B. Sadr Co: Involved in the procurement of parts used to develop missile propellant, including centrifuge spare parts, on behalf of Parchin Chemical Industries, a subordinate of MODAFL's Defense Industries Organization. It is designated by the United States pursuant to E.O. 13882.

Sazeh Morakab: Supports SHIG with products such as epoxy resins, glass fabrics, polymer molds and parts, and composites for use in ballistic missiles. It is designated by the United States pursuant to E.O. 13382.

Shahid Haj Ali Movahed Research Center: Subordinate to SHIG. Played a key role in Iranian-North Korean missile cooperation. It is designated by the United States pursuant to E.O. 13382.

Shiraz Electronics Industries (SEI): Owned or controlled by MODAFL. Produces various electronics for the Iranian military. It is designated by the United States pursuant to E.O. 13382 and previously has been sanctioned by the United States under the Iran, North Korea, and Syria Nonproliferation Act (INKSNA).

Sina Composite Delijan Company: Part of the same IRGC RSSJO-affiliated network involved in procuring ballistic missile propellant and related materials in support of Iran's ballistic missile program. It is designated by the United States pursuant to E.O. 13882.

Yasa Part (aka Arfa Paint Co.; Arfeh Co.; Farasepehr Engineering Co.; Hosseini Nejad Trading Co.; Iran Saffron Co.; Shetab G; Shetab Gaman; Shetab Trading; Y.A.S. Co. Ltd.): Involved in procurement activities related to the purchase of materials and technologies related to Iran's nuclear and ballistic missile programs. It is designated by the United States pursuant to E.O. 13382.

Annex 3. Key Goods Sought by Iran's Missile Program

The following list of goods identifies a number of U.S.-origin and foreign-produced goods sought by Iran for its ballistic missile program. Items noted with an asterisk (*) indicate goods that have previously been sought from the United States by Iran.

Production and Testing Equipment: carbon fiber production equipment, carbon fiber/filament winding machines, cold flow milling machines, computer numerical control (CNC) machines*, environmental test chambers, measuring equipment, rate tables

Goods and Materials: aluminum tubing*, aramid fiber, ball bearings, carbon fiber*, cobalt and nickel powder*, corrosion-resistant and ultra high-strength steel, epoxy-based adhesives, glass fabric, graphite cylinders*, hardener*, high-grade aluminum alloy, pressure bolts, resins, seamless steel tubes, thermal insulation, titanium sheets*, tungsten-coated graphite, thermowells, tungsten metal powder, tungsten-copper alloy plates, X-ray tubes*

Electronics: circuit card assemblies*, complex programmable logic devices*, cryogenic accelerometers*, digital signal processors*, electrical connectors (D sub connectors)*, field programmable gate arrays*, flow indicators, fluxgate compass modules*, inertial sensors*, level and temperature transmitters, micro controllers*, pin diode limiters*, power amplifiers*, power transistors*, pressure transducers*, thermowells, YIG-Tuned GaAS FET Oscillator*, microelectromechanical systems (MEMS) components

Guidance, Navigation and Control: accelerometers*, gyroscopes *, navigational sensors *, inertial measurement systems

Annex 4. Relevant U.S. Sanctions Authorities

The United States has a number of authorities that can be used to impose sanctions against entities supporting Iran's missile procurement, development, and proliferation activities. Industry should be aware of the nonproliferation sanctions authorities that may apply:

- **The Iran, North Korea, and Syria Nonproliferation Act (INKSNA)** requires reports to Congress periodically on every foreign person for whom there is credible information indicating that the foreign person transferred to/acquired from Iran, Syria, or North Korea certain proliferation-sensitive items (including items controlled for export by the Missile Technology Control Regime [MTCR] and other multilateral export control regimes). INKSNA sanctions include a United States Government (USG) procurement ban, USG assistance ban, and the denial of any specific license application for the export of dual-use items and munitions to sanctioned entities.
- **Missile Sanctions authorities (Section 73 of the Arms Export Control Act and Section 11B(b)(1) of the Export Administration Act of 1979^b)** require a mandatory sanctions determination, subject to a national security waiver, on foreign persons in non-MTCR countries determined to have provided MTCR Annex items that contribute to MTCR Category I missiles in another non-MTCR country. These authorities specify different penalties based on the nature of the items transferred but may involve an import ban and defense trade ban with the sanctioned entity.
- **Executive Order (E.O.) 12938 (as amended by E.O. 13094)** authorizes sanctions against any foreign persons determined to have materially contributed or attempted to materially contribute to the efforts of any foreign country, project, or entity of proliferation concern, to use, acquire, design, develop, produce, or stockpile weapons of mass destruction or missiles capable of delivering such weapon.
- **E.O. 13382** authorizes blocking sanctions against any foreign persons determined to have engaged, or attempted to engage, in activities or transactions that have materially contributed to, or pose a risk of materially contributing to, the proliferation of WMD or their means of delivery (including missiles capable of delivering such weapons) by a foreign person or country of proliferation concern. The E.O. also provides discretion to block any foreign persons determined to have provided or attempted to provide financial, material, or technological support for, or goods or services in support of, or to be owned or controlled by, or act for or on behalf of any entity already blocked under this E.O. The Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 CFR part 544 (WMDPSR) implements this sanctions authority.
- **E.O. 13949** authorizes blocking sanctions on persons determined to have engaged in activities that materially contribute to the transfer of arms and related materiel to or from Iran as well as on persons that have engaged or attempted to engage in activities that materially contribute or pose a risk of materially contributing to the proliferation of arms or related

^b Section 73 of the Arms Export Control Act and Section 11B(b)(1) of the Export Administration Act of 1979, consistent with section 1766(b) of Public Law 115-232, the Export Control Reform Act of 2018 (50 U.S.C. 4801-4852).

material by the Government of Iran or paramilitary organizations supported by it. It also provides for sanctions on those who support or who act for or on behalf of persons who are blocked under the E.O.

- **Iran Freedom and Counter-Proliferation Act of 2012 (IFCA)** requires the imposition of sanctions on persons determined to have engaged in the sale, supply, or transfer to or from Iran of precious and certain other metals, coal, graphite, industrial software, the provision of underwriting services, insurance, or reinsurance activities; and financial transactions on behalf of sanctioned Iranian individuals and entities.

Annex 5. Minimizing Sanctions and Export Control Risk

U.S. Sanctions Related to Iran

The Department of the Treasury's Office of Foreign Assets Control (OFAC) administers a comprehensive trade embargo against Iran, as set forth in the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR). The ITSR generally prohibits most direct or indirect commercial, financial, or trade transactions with Iran by U.S. persons or within the United States, unless authorized by OFAC or exempt. Furthermore, under the ITSR, U.S. persons are generally prohibited from engaging in any transaction or dealing involving the Government of Iran or Iranian financial institutions and are obliged to block the property and interest in property of such persons if they come within a U.S. person's possession or control, unless the transactions are authorized by OFAC or exempt.

Such prohibited transactions include exports to Iran and imports and dealings in Iranian-origin goods or services, as well as certain reexports by non-U.S. persons of U.S.-export controlled-items. In particular, under the ITSR, non-U.S. persons are prohibited from reexporting from a third country, directly or indirectly, any goods, technology, or services that have been exported from the United States, if (1) undertaken with knowledge or reason to know that the reexportation is intended specifically for Iran or the Government of Iran, and (2) the item is subject to U.S. export licensing requirements by a separate agency (*i.e.*, "U.S. export-controlled"). This prohibition also applies to the reexportation by non-U.S. persons of certain foreign-made items with 10 percent or more U.S. export-controlled content by value. In addition, U.S.-owned or -controlled foreign entities are also prohibited from knowingly engaging in any transaction, directly or indirectly, involving Iran or the Government of Iran, unless authorized or exempt. Non-U.S. persons may also violate the ITSR by directly or indirectly exporting services from the United States, or by causing other persons to violate U.S. sanctions against Iran. For example, a non-U.S. person that processes a U.S. dollar-denominated transaction through a U.S. financial institution pertaining to the unauthorized procurement, sale, delivery, or provision of goods or services to Iran, the Government of Iran, or an Iranian entity could be subject to an enforcement action by OFAC, even if the transaction is otherwise conducted wholly outside of the United States.

Under the laws and regulations administered by OFAC, unless otherwise authorized, U.S. persons (generally defined as any U.S. citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States [including foreign branches], or any person in the United States) are generally prohibited from engaging in transactions, directly or indirectly, with individuals or entities on OFAC's Specially Designated Nationals and Blocked Persons List ("the SDN List") or otherwise blocked. Separately, persons who provide material support to persons on the SDN List could be subject to sanctions and themselves added to the SDN List. Furthermore, pursuant to the Iranian Financial Sanctions Regulations, 31 C.F.R. part 561, foreign financial institutions that knowingly conduct or facilitate significant financial transactions for or on behalf of certain designated persons may be exposed to sanctions, which may include designation and listing on the SDN List or restrictions on or loss of access to the U.S. financial system. Pursuant to OFAC's 50 percent rule, any entity

owned in the aggregate, directly or indirectly, 50 percent or more by one or more blocked persons is itself considered to be blocked.

U.S. persons or others over which OFAC exercises jurisdiction can face significant monetary penalties in addition to other enforcement action for conduct in violation of OFAC's regulations. Failure to comply with U.S. sanctions regulations can result in civil and criminal penalties under U.S. law. Companies with questions about their sanctions compliance obligations may contact OFAC at ofac_feedback@treasury.gov or (800) 540-6322.

OFAC strongly encourages persons subject to U.S. jurisdiction, as well as foreign persons that conduct transactions with or involving the United States or U.S. persons, to employ a risk-based approach to sanctions compliance. This approach may include the development, implementation, and routine updating of a sanctions compliance program for such persons' particular business models. Please refer to "A Framework for OFAC Compliance Commitments" for more details.

U.S. Export Controls Related to Iran

The Department of Commerce, Bureau of Industry and Security (BIS) maintains licensing requirements on certain exports and reexports of items (commodities, software, technology) to Iran under the Export Administration Regulations (EAR) (15 CFR parts 730-774). Notably, on February 24, 2023, BIS expanded the scope of the EAR's restrictions on Iran to cover certain foreign-produced items that are the direct product of certain U.S. software, technology, or tooling (see §§ 734.9(j) and 746.7 of the EAR, as well as Supplement No. 7 to part 746 of the EAR). The EAR's controls are primarily item-based, and apply broadly to persons regardless of location or nationality. To avoid duplication, exporters and reexporters are not required to seek separate authorization from BIS for an export or reexport of an item that is subject to both the EAR and to the ITSR. Therefore, if OFAC authorizes an export or reexport to Iran, such authorization is generally considered authorization for purposes of the EAR as well. Transactions that are not subject to OFAC regulatory authority may require BIS authorization. "Deemed exports" and "deemed reexports" (releases of technology or source code to Iranian foreign persons in the U.S. or abroad) and exports and reexports to specified end users, such as Iranian persons on the BIS Entity List, Supp. No. 4 to part 744 of the EAR, or end uses, such as ballistic missile uses, may also require separate BIS authorization (see part 744 of the EAR). Additionally, a license requirement applies to specific activities of U.S. persons that "support" certain weapons of mass destruction (WMD) and military-intelligence end uses and end users (MIEUs). Please review part 744 of the EAR, specifically Section 744.6^c and Section 744.22^d, for descriptions of end users and uses that may require BIS authorization.

^c Under Section 744.6 of the EAR, the definition of "support" encompasses shipping, transmitting, or transferring (in-country) any item not subject to the EAR; facilitating such shipment, transmission, or transfer (in-country); as well as performing any contract, service, or employment, to include, but not limited to, financing that a U.S. person knows may assist or benefit certain foreign WMD programs and MIEUs.

^d Section 744.22 of the EAR imposes restrictions on exports, reexports, and transfers (in-country) for a military-intelligence end use or military-intelligence end user (MIEU) in Burma, Cambodia, China, Russia, Belarus, or Venezuela; or any of the sanctioned or embargoed countries listed in the EAR's Country Group E:1 (Iran, DPRK, or Syria) or Country Group E:2 (Cuba). Iran's Islamic Revolutionary Guard Corps Intelligence Organization (IRGC-IO) and Artesh Directorate for Intelligence (J2) are listed as MIEUs.

Supplement No. 3 to Part 732 of the EAR provides “know your customer” guidance and red flags for industry to use when screening customers for potential diversion to unauthorized Iranian end users or uses (e.g., WMD proliferation). It also assists companies in evaluating the bona fides of end users and screening against U.S. proscribed party lists, which include UN-designated persons, and the SDN List, and the Department of Commerce Consolidated Screening List (CSL), which combines the proscribed party lists of Treasury, Commerce (including the BIS Entity List), and State (see <https://www.trade.gov/consolidated-screening-list>). Additionally, other publicly available tools are available for companies to evaluate transaction parties, including business registration searches, to identify beneficial ownership and shell companies that raise red flags.

Moreover, Section 744.3 of the EAR requires a license to export, reexport, or transfer (in-country) any item subject to the EAR (i.e., located in the United States, located abroad but originally manufactured in the United States, or located abroad but incorporating certain U.S.-origin content, or produced with certain controlled software or technology (see §§ 734.4 and 734.9 of the EAR) if at the time of export, reexport, or transfer (in-country) there is knowledge that the item will be used:

- (1) In the design, development, production, or use of rocket systems or unmanned aerial vehicles (UAVs) capable of a range of at least 300 kilometers in or by a D:4 country, such as Iran;^e
- (2) Anywhere in the world except by governmental programs for nuclear weapons delivery of NPT Nuclear Weapons States that are also members of NATO, in the design, development, production or use of rocket systems or UAVs, regardless of range capabilities, for the delivery of chemical, biological, or nuclear weapons; or
- (3) In the design, development, production or use of any rocket systems or UAVs in or by a D:4 country, such as Iran, but you are unable to determine: (i) the characteristics (i.e. range capabilities) of the rocket systems or UAVs; or (ii) whether the rocket systems or UAVs will be used in manner prohibited under paragraph (2).

BIS encourages exporting companies to establish an Export Compliance Program (ECP). Developing an effective ECP is an invaluable way a company can contribute to U.S. national security and nonproliferation priorities while protecting its vital interests. BIS provides training seminars about export control policies, regulations, and practices. Companies with questions about their export compliance may contact BIS at emsinquiries@bis.doc.gov.

Penalties for BIS Enforcement Actions

BIS criminal investigators are solely focused on export control violations, including violations of export controls related to Iran. BIS criminal investigators and analysts work to detect, disrupt, and dismantle facilitation networks supporting Iran through criminal and administrative enforcement. As set forth in the Export Control Reform Act of 2018 (ECRA) (50 U.S.C. 4801-4852), maximum criminal penalties can reach 20 years’ imprisonment and up to \$1 million in

^e Please refer to Supplement No. 1 to Part 740 of the EAR.

finest per violation, or both. Current civil monetary penalties are the greater of approximately \$353,534 or twice the value of the transaction, per violation. The civil monetary penalty maximum is adjusted for inflation annually.

BIS also uses its authorities under ECRA to bring administrative export enforcement actions. It may disrupt Iran procurement activities by denying export privileges or listing entities on one of its proscribed parties lists (e.g., Entity List, Denied Persons List, or Unverified List (UVL)). Additionally, BIS may temporarily deny a domestic or foreign party's export privileges upon a showing that such action is necessary to prevent an imminent violation of the EAR. Parties may not transact with or help to facilitate transactions involving items subject to the EAR on behalf of the denied party. BIS may also add parties to its Entity List in connection with assistance provided to Iran's procurement activities or weapons program. As a general matter, foreign persons, businesses, research institutions, government, and private organizations may be added to the Entity List if they have been determined to be acting contrary to U.S. national security and foreign policy interests. These parties generally require a license to receive most items subject to the EAR, and license applications are generally subject to a review policy of a presumption of denial. License exceptions are generally not available for transactions involving Entity List parties. These license requirements also apply when the listed party is the purchaser, intermediate consignee, or ultimate consignee, even if it is not the end-user of the items. License exceptions are unavailable for foreign parties on the UVL, and a UVL statement must be obtained before proceeding with any export, reexport, or transfer (in-country) of items subject to the EAR involving a UVL party that is not subject to a license requirement. A list of individuals and entities that have been denied export privileges or placed on one of the BIS proscribed parties lists may be found on the CSL. Furthermore, BIS has the authority under Section 1760(e) of ECRA to deny for up to 10 years the export privileges of parties convicted of certain criminal violations, including violations of U.S. Iran sanctions.

Department of Justice's Enforcement of Iran-Related Sanctions and Export Controls

The Department of Justice (DOJ) investigates and prosecutes criminal violations of U.S. sanctions and export control laws, including International Emergency Economic Powers Act (IEEPA), ECRA, and AECA. Willful violation of these statutes is punishable by up to 20 years in prison and a penalty of up to \$1 million. DOJ has successfully prosecuted multiple defendants for willfully violating these statutes in connection with their efforts to transfer missile technology to Iran. The Department has successfully pursued civil forfeiture actions seizing and forfeiting missile technology where it constitutes the property of the IRGC or other designated Foreign Terrorist Organizations.

DOJ's recent enforcement actions aimed at stopping the flow of weapons technology to Iran include the following:

- In March 2023, DOJ announced the indictment of two Iranian nationals and one national of the United Arab Emirates for violating IEEPA and AECA by allegedly conspiring to obtain U.S. technology, including a high-speed camera that has known nuclear and ballistic missile testing applications.

- In May 2016, DOJ announced the sentencing of a Canadian-Iranian dual national for conspiring to obtain high-tech electronic components from U.S. companies and transship them via Canada or the United Arab Emirates to Iran and elsewhere, in violation of IEEPA. Among the technology that the defendant attempted to procure were cryogenic accelerometers, which are used in applications related to ballistic missile propellants. The defendant was sentenced to three years for his participation in the scheme.

Along with these actions, DOJ's National Security Division (NSD) is leading an interagency law enforcement initiative that will help undermine Iran's ability to acquire missile and other sensitive technology. In February 2023, DOJ and BIS created the Disruptive Technology Strike Force, an interagency effort focused on investigating and prosecuting the illicit transfer of sensitive technologies to foreign state adversaries, including Iran. The Strike Force in May 2023 unsealed an indictment charging a Chinese national with sanctions evasion and other criminal violations for his alleged participation in a scheme to send to Iran a high-tech material used in the nose tips of ballistic missiles.

DOJ has renewed and strengthened its focus on the intersection of national security and corporate crime, including through increasing resources for and prioritizing the enforcement of U.S. sanctions and export control laws. In March 2023, NSD issued an updated voluntary self-disclosure policy that creates a presumption of non-prosecution for companies who voluntarily disclose to NSD potential criminal violations of U.S. national security laws, including Iran-related sanctions and export control laws, cooperate with NSD's investigation and remediate their criminal conduct. Further to this effort, in July 2023, the Department of Justice, the Department of Commerce, and the Department of the Treasury issued a [tri-seal compliance note](#) on their respective voluntary self-disclosure policies to assist the private sector in ensuring that businesses and other organizations timely and appropriately disclose potential violations.

NSD also recently announced the hiring of 25 new prosecutors to investigate and prosecute sanctions evasion, export control violations, and similar economic crimes. In September 2023, NSD announced the hiring of its first-ever Chief Counsel and Deputy Chief Counsel for Corporate Enforcement to oversee the Division's investigation and prosecution of corporate misconduct that threatens U.S. national security.