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## WORLD

# Europe Plans 'Special Vehicle' to Maintain Companies' Ties to Iran, Avoid U.S. Sanctions

The move is a direct rebuke of President Trump's policy on Iran and his decision to withdraw from the nuclear deal



Federica Mogherini, the EU's foreign-policy chief, and Iran's Foreign Minister Javad Zarif at a ministerial meeting in Vienna in July. PHOTO: SHCHERBAK ALEXANDER/ZUMA PRESS

By *Farnaz Fassihi*

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**UNITED NATIONS**—The European Union said late Monday that it would establish a special payment channel to allow European and other companies to legally continue financial transactions with Iran while avoiding exposure to U.S. sanctions.

The move is a direct rebuke of President Trump's policy on Iran and his decision to withdraw from the nuclear deal in May, and sets the stage for a confrontation between the U.S. and Europe in the days ahead at the U.N. General Assembly, where Iran is among the prominent themes.

EU foreign-policy chief Federica Mogherini and Iran's Foreign Minister Javad Zarif made the announcement of a "special purpose vehicle" jointly, in English and Farsi, after a meeting at the U.N. of the parties still committed to the deal—Iran, EU, U.K., France, Germany, Russia and China.

"We are not backing down [on the Iran nuclear agreement]," said a European diplomat. He said the speeches of European leaders at a Security Council meeting Mr. Trump is hosting on Wednesday on nonproliferation, including Iran, will reflect the Monday night statement.

The statement said the participants of the 2015 nuclear deal, formally known as the Joint Comprehensive Plan of Action, "underlined their determination to protect the freedom of their economic operators to pursue legitimate business with Iran."

The mechanism—the details of which would be set up in future meetings with technical experts—would facilitate payments related to Iran's oil trade, exports and imports, and "reassure

economic operators pursuing legitimate business with Iran,” the statement said.

European companies have been flocking out of Iran’s market and ending contracts to avoid risking U.S. sanctions. Iran has argued that the 2015 deal entitled the Islamic Republic to benefit from lifting of sanctions and to enter the world market.

However, Iran’s economy has stumbled, with the currency dropping almost daily against the U.S. dollar since the U.S. exited the deal.

It remains to be seen whether or not European companies will change course even with added help from their governments to avoid U.S. sanctions.

But the optics of the move by the European Union together with China and Russia to defy the U.S. signaled continued criticism of the Trump administration for its decisions on Iran.

Secretary of State Mike Pompeo is at the General Assembly this week promoting U.S. foreign-policy successes, among them exiting the Iran nuclear deal and fostering engagement with North Korea.

Ms. Mogherini said Iran has remained fully committed to its obligations under the nuclear deal, as certified by a dozen reports from U.N.’s nuclear watchdog, the International Atomic Energy Agency.

She also hailed the 2015 agreement as a major achievement for diplomacy and nonproliferation and “deeply regrets” what she called the unilateral withdrawal of the U.S. from the deal.

The statement also said parties to the deal would continue to aid Iran in modernizing the country’s Arak research reactor and converting the Fordow facility, a former enrichment plant, into a nuclear, physics and technology center.

**Write to** Farnaz Fassihi at [farnaz.fassihi@wsj.com](mailto:farnaz.fassihi@wsj.com)

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