

Lebanon could face sanctions if it imports Iranian oil: expert

Lawyer Dr. Paul Morcos, professor of international law in Lebanon, said Thursday that importing fuel from Iran, without obtaining a special exemption from the US Treasury, may put the country at risk of US sanctions.

His statement came as Lebanon's Hezbollah announced Thursday that a fuel-carrying ship from Iran would arrive to Lebanon in two weeks, amid a severe fuel shortage in the crisis-hit country.

Morcos added that this matter may be reflected directly on the movement of remittances, credits and shipping to and from Lebanon, and that international financial institutions and international correspondent banks could refrain from cooperating with Lebanon.

US prohibits all dealings with the Central Bank of Iran. Dealing with Iranian intermediaries in shipping and financing exposes the Lebanese banking and financial sector to sanctions if it is done without a special exemption.

According to Morcos, Executive Order 13846 dated August 6, 2018, imposes US sanctions on anyone who knowingly enters into deals with Iranian oil companies in order to buy, possess, sell, transfer or market petroleum or petroleum products from the Iranian authorities.

It should be noted that the export of Iranian oil to Lebanon is prohibited under the US sanctions and related laws, especially the sanctions issued against Iran on November 5, 2018, by the Office of Foreign Assets Control of the US Department of the Treasury OFAC, as a tool to achieve the goals of national security and US foreign policy.

Morcos added, "The US sanctions on Iran prevent any dealings with this country that would contribute to achieving revenues, especially if they were revenues in the field of the oil industry and trade in Iranian goods, whether they are individuals or companies.

But this does not mean that there is no possibility to carry out this import. This process may take place if Lebanon obtains a special exemption from these sanctions, through the Lebanese state submitting an exemption request from the US Treasury Department, which should include a convincing and justified justification for the state's vital need. According to Morcos, the request must be submitted by a state and not through a company, party or political entity.

According to Morcos, despite Lebanon's vital need for fuel, there are risks associated with this process, especially for companies that not only import oil but also unload and distribute the cargo of oil coming from Iran.

The United States of America has previously provided exemptions to many countries from sanctions on the import of Iranian oil. Countries such as China, India, South Korea, Turkey, Italy, Japan, Taiwan and Greece have enjoyed exceptional exemptions from the sanctions. According to what former Secretary of State Pompeo, the exemption came in view of the circumstances. This is especially true for those countries that are highly dependent on Iranian oil.

Although the US Treasury provided these exemptions, they were temporary exemptions, so that these countries could find an alternative to Iranian oil. Even India, which is one of the largest importers of Iranian oil, stopped importing after the exemption period granted to them expired.

Iraq recently gained extension of the period of exemption from sanctions by the new US administration.

But Morcos pointed out that the US sanctions are on individuals and entities, meaning that any company or individual from the private or public sector that contributes, facilitates and assists in the process of importing Iranian oil, whether it is unloading, transporting, shipping or any other material or logistical method, is subject to American sanctions.

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