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On 29 September 2025, the United Kingdom (“UK”) and the European Union (“EU”) reimposed Iran-related sanctions that were lifted in 2016 following the Iran nuclear deal. The UK and EU have made clear that these steps follow Iran’s failure to comply with its obligations under the Iran nuclear deal (the “**Nuclear Deal**”)¹, as endorsed by United Nations (“UN”) Security Council Resolution 2231 (2015) (“**UNSCR 2231**”). This change marks an abrupt end to a period when Europe took a more open approach to doing business with Iran, while the United States (“U.S.”) had maintained a comprehensive sanctions program against Iran. We discuss below some of the key restrictions that have been reimposed and the practical implications this is likely to have for businesses.

EU/UK Sanctions

Prior to this “snapback”, the EU and UK imposed limited restrictive measures on Iran, comprising targeted sanctions focussed on its ballistic missile and nuclear programs, and claimed human rights violations.

However, following UNSCR 2231, the UN reimposed sanctions that encompass wider prohibitions on nuclear proliferation, including related material, technology and entities.² The Council of the EU has additionally reimposed autonomous sanctions targeting the most important sectors of Iran’s economy. Notably, this includes wide-ranging restrictions on Iran’s oil and gas sector and limitations on Iran’s access to financial services, insurance and other global markets. Currently, the UK has only reimposed the UN sanctions;³ however, the UK government has [confirmed](#) that additional legislation will “impose further sectoral measures”, which will be “in line with [its] partners” and targeted at “finance, energy, shipping, software, and other significant industries which are advancing Iranian nuclear escalation”.

Taken together, the prohibitions in effect in the UK and EU currently include:

Nuclear, missile, drone and other military technology

While both the UK and EU have in place existing sanctions related to Iran’s nuclear program, the “snapback” has imposed additional measures. These include (i) export and import restrictions on goods, software and technology that could contribute to Iran’s nuclear proliferation-related activities as well as the provision of associated financing and services; (ii) prohibitions on dual-use items;⁴ and (iii) the designation of individuals and entities involved in Iran’s nuclear and missile programs.⁵ These designations primarily affect major Iranian financial institutions and certain companies operating in the energy and transport sectors.

Oil and gas

The EU has reimposed wide-ranging prohibitions targeting Iran’s energy sector. These include prohibitions on (i) new investment/financing into Iran’s petrochemicals sector; (ii) the import, purchase and transport of Iranian crude oil or petroleum products, petrochemical products, and natural gas; and (iii) the sale, supply, or transfer of equipment and technology for Iran’s energy sector, covering the exploration, production, refining, and liquefaction of natural gas and petrochemicals.⁶

¹ The Joint Comprehensive Plan of Action 2015, (“**JCPoA**”).

² United Nations Security Council Resolutions 1737, 1747, 1803, and 1929.

³ [Iran \(Sanctions\) \(Nuclear\) \(EU Exit\) \(Amendment\) Regulations 2025](#), which came into force on 1 October 2025.

⁴ Council Regulation (EU) No 267/2012 (as amended), Annex I, II and The Iran (Sanctions) (Nuclear) (EU Exit) (Amendment) Regulations 2025.

⁵ This listing results in travel bans for individuals, asset freezes on listed parties, as well as a prohibition on making funds or economic resources available to listed parties. Council Regulation (EU) No 267/2012 (as amended), Annexes VIII and IX and The Iran (Sanctions) (Nuclear) (EU Exit) (Amendment) Regulations 2025.

⁶ Council Regulation (EU) No 267/2012 (as amended), Annexes IV, V, IVA, VI and VIA.

Financial services

The EU has also reimposed financial sanctions on banking and insurance. These include prohibitions on (i) EU financial institutions opening new bank accounts with Iranian financial institutions, opening new subsidiaries in Iran, or establishing new joint ventures with Iran-related institutions; (ii) the sale or purchase of Iranian government bonds; and (iii) the provision of insurance or re-insurance services to Iran and Iranian entities. In addition, financial transfers to Iranian financial institutions are prohibited (with limited exceptions) and transfers to individuals are subject to prior authorisation or advance notification.⁷

Trade and transport

Further EU restrictions target metals, naval equipment and transportation. These measures include prohibitions on the sale, supply or transfer of (i) gold, precious metals, and diamonds; and (ii) certain key naval equipment and software. The EU has also reimposed prohibitions on the servicing of Iranian aircraft or vessels believed to be carrying prohibited goods, as well as restrictions aimed at preventing Iranian cargo from accessing EU airports.⁸

A full list of the reimposed sectoral measures can be found in the updated [Council Regulation \(EU\) 2025/1975](#). As noted above, similar measures in the energy, financial services, trade and transport sectors have not yet been imposed by the UK, but that is likely to change in line with the UK government's stated intention to impose further sanctions on Iran in line with its partners.

Practical Implications

As with other UK and EU sanctions, the measures in relation to Iran apply to EU and UK incorporated entities and nationals wherever they do business, as well as to transactions that have a nexus to those jurisdictions. As such and given the significant changes to the relevant sanctions regimes, UK and EU entities and nationals may need to review their existing compliance procedures. In this regard, it is notable that:

- The snapback sanctions will not apply retroactively, and many parties with a U.S. nexus may have already been taking a broader enterprise-wide compliance approach in light of U.S. comprehensive sanctions against Iran.
- For entities that have done business with or in Iran, UNSCR 2231 emphasises that the reimposed sanctions do not target companies that have engaged with Iran lawfully following the Nuclear Deal and encourages states to take action to mitigate unintended harm.⁹
- In the EU, many of the prohibitions do not apply until 1 January 2026 for contracts executed prior to 30 September 2025, provided that the activities were consistent with the JCPoA, UNSCR 2231 and EU Member States' laws which were in effect.¹⁰
- In the UK, four general licences have been published so far which allow UK individuals and entities to wind down transactions with certain Iranian banks and designated entities, and the continued operation of the Shah Deniz project.¹¹

More broadly, the snapback of Iranian sanctions is a striking example of how international sanctions can change quickly – with profound implications for investment decisions made in reliance on a previous political arrangement that no longer governs. Businesses therefore face not only the difficulties of navigating different complex sanctions regimes, but also the risk that prohibitions could be reintroduced with little notice.

⁷ Council Regulation (EU) No 267/2012 (as amended), Articles 33, 34, 35 and 30.

⁸ Council Regulation (EU) No 267/2012 (as amended), Annex VI, Annex VIB and Article 37.

⁹ Joint Comprehensive Plan of Action (2015), §37.

¹⁰ Council Decision (CFSP) 2025/1975 (as amended), §20.

¹¹ General Licence INT/2025/7363752, General Licence INT/2025/7345264, General Licence INT/2025/7345664, General Licence INT/2025/7345464.

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