US - Decertifying The Iran Deal

Why in news?

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U.S. President has announced his refusal to certify for continuing the sanctions waiver for Iran, under the Joint Comprehensive Plan of Action (JCPOA).

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What are these sanctions and certifications?

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- Primary sanctions are sanctions imposed on the offending party or the country itself.
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- On the other hand, secondary sanctions are imposed on a third country that does business with the offending country.
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- In this context, the US administration has notably two obligations with regard to the Iran nuclear deal.
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- **One**, certifying every 90 days, confirming i) Iran's full compliance with the deal, ii)U.S's national security interests in continuing with the sanctions waiver.
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- This falls under the US's domestic law namely Iran Nuclear Agreement Review Act (INARA).
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- This obligation was rolled out with the objective to constrain the US presidential authority to waive sanctions on Iran.
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- **Two**, renewing every 120 days, the lifting of the U.S.'s secondary nuclear sanctions under JCPOA.
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- This is part of the international law.
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- The Trump's recent decision only decertifies the 90 days clause and not re-imposes the nuclear-related sanctions that were waived.
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Why has the US not renewed the sanctions?

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- Trump had earlier remarked the JCPOA as the "worst deal ever".
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- Clearly, he could have withheld the latest (September) renewal of sanctions waiver and triggered re-imposition of secondary nuclear sanctions.
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- He did not do so because this would have violated the international law since the sanctions clause falls under the international law.
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- Also, Iran still remains in compliance with the JCPOA and enjoys international support.
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- Trump has therefore passed on the decision on sanctions to the U.S. Congress.
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- Trump's latest renewal of the waiver on secondary sanctions will hold for 120 days, till mid-January 2018.
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- This is why the U.S. sanctions have not kicked in yet.
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- Notably, Trump's decision to decertify the nuclear deal will not necessarily withdraw the US from the agreement.
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What are the larger implications?

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- Only two countries have applauded Mr. Trump’s decision; one, Saudi Arabia and two, Israel.
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- **Europe** - However, the US's move is clearly a sign of emerging divide between the US and the European allies, for the first time since 1945.

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- Evidently, the German, French and British leaders have jointly declared their shared national security interests in preserving the JCPOA.
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- The European Union officials have stated that the world could not afford to dismantle a successfully working nuclear agreement.
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- **Iran** - Beyond the U.S.-Iran relations, Iran can make things difficult for the U.S. in Afghanistan as also in Iraq and Syria.
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- The U.S.'s ability to work with Russia in Syria or with China regarding North Korea could also be impacted.
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- More importantly, the move could demotivate Iran to comply with nuclear restrictions, which could have far-reaching implications on nuclear non-proliferations efforts.
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- **Business** - It is to be noted that the sanctions relief applied only to secondary nuclear sanctions i.e. third country companies were free to engage with Iran.
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- However, the primary sanctions continued i.e. certain U.S. companies still remained barred from dealings with Iran.
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- Also, US can continue to impose even secondary sanctions against certain foreign entities for non-nuclear harmful activity.
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- These business implications of the deal is sure to influence the global countries' stances and decisions on the issue.
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What lies ahead?

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- **Congress** - Trump now expects the Congress to end some of the sunset clauses of 10/15 years in the JCPOA by making it permanent.
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- And also to establish new benchmarks on missile activities and regional behaviour for continuing sanctions relief.
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- **Trump** - On the other hand, amending INARA in line with Trump's motive is also doubtful of getting through in the US Senate.

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- By all means, Trump would face a critical situation in January.
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- Of either renewing the sanctions waiver for another 120 days (against his will) or withholding it, which would put the U.S. in violation of the JCPOA.
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- **Deal** - In either case, the implication would be a renegotiation of the JCPOA.
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- Given the present international scenario, any such move in UNSC would only attract a veto by both Russia and China.
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- Iran is also not prepared to renegotiate the deal and many other countries have promised to uphold the deal.
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- However, the challenge is to protect their companies from the U.S. sanctions if they continue their engagement with Iran.
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Source: The Hindu

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