

Appendix I: Letter to Pharmaceutical and Medical Companies That Have Sold Products in Iran

HUMAN RIGHTS WATCH

350 FIFTH AVENUE, 34TH FLOOR
NEW YORK, NY 10118-3299
TEL: 212-290-4700
FAX: 212-736-1300

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www.hrw.org

December 19, 2018



To Whom It May Concern:

Human Rights Watch is conducting research on the impact of United States economic sanctions on Iranian citizens' right to health, in particular Iranians' access to vital medicine and medical equipment. Therefore, we are seeking information from affected communities and entities both inside and outside Iran, including patients, doctors, and pharmaceutical and medical companies.

Human Rights Watch is a nonprofit, nongovernmental human rights organization that consists of human rights professionals, including country experts, lawyers, journalists, and academics of diverse backgrounds and nationalities. Human Rights Watch has extensive experience documenting the impact of sanctions, as well as unlawful restrictions on access to medicine, in numerous countries around the world. Most recently, in Venezuela, Human Rights Watch documented how severe shortages of medicines and medical supplies make it extremely difficult for many Venezuelans to obtain essential medical care.

Currently, we are researching the practical effects of the US sanctions on access to health in Iran. For that reason, we are writing to better understand what products and services companies provided in Iran during the period the economic sanctions were lifted and how the sanctions affected their business interaction with Iran's health sector. Our online research shows that your company is one of the companies that sells pharmaceutical products to Iran. We are hoping you might be able to share with us if your company has faced any restrictions or challenges in transferring medical products to Iran or receiving financial compensation for them in the wake of most recent sanctions imposed by the United States that began to be applied on November 4, 2018.

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We would appreciate if you could get back to us at your earliest convenience and let us know if you would be available to schedule a phone call to get your perspective on this issue.

Best Regards,

A small rectangular box containing a handwritten signature in black ink. The signature appears to be "Tara" followed by a stylized flourish.

Tara Sephri Far,

Researcher

Middle East and North Africa Division,

Human Rights Watch

Appendix II: Letter to US Department of Treasury Office of Foreign Asset Control (OFAC)

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350 Fifth Avenue, 34th Floor
New York, NY 10118-3299
Tel: 212-290-4700
Fax: 212-736-1300

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May 30, 2019

The Honorable Steven Mnuchin
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Re: US Economic Sanctions' Impact on Iranians' Right to Health

To Whom It May Concern:

We write to request information in connection with research that Human Rights Watch is currently conducting on the impact of United States economic sanctions on Iran, including the rights of the Iranian people under international law to maintain access to health and medication.

In particular, we seek your response to the questions set out below and we would appreciate a reply by June 13, 2019 so that we can reflect your response in our forthcoming publication.

As you know, the US Department of Treasury's Office of Foreign Asset Control (OFAC) maintains general licenses and exemptions that allow for the export of "certain food items, medicines, and basic medical supplies to Iran without further specific authorization." These provisions also authorize financial transactions in support of trade in certain food, medicine, and medical devices from the US or from a foreign country without specific authorization.

However, in the lead up to the re-imposition of certain sanctions in November 2018, OFAC severely restricted Iran's access to global financial markets. The serious regulatory and due diligence requirements placed on international trade with Iran has left only a small number of companies and banks with the capacity to trade with Iran that are willing to accept the increased financial and legal risk that comes with those transactions. Our research shows that this issue, combined with sharp depreciation of Iranian Rial, has severely

limited the ability of Iranian companies and hospitals to purchase essential medicines from outside Iran.

Research conducted by Human Rights Watch shows that in practice, Iran is currently able to conduct business through a limited number of banks closely affiliated with countries that had previously received special waivers from the US in November 2018 to continue purchasing Iran's oil. These banks have used Iran's oil revenue held in escrow accounts to execute certain financial transactions for medicine and other items determined by the Government of Iran to be essential goods. Over the past month, the US has announced that it will not renew waivers for countries to purchase Iran's oil and announced that it aims to drive Iran's oil exports to zero. The US has also placed Iran's metal industry under sanctions.

Based on our research, we understand that overcompliance by banks and pharmaceutical companies is a significant factor in limiting Iran's access to certain medicines. In particular, we understand that unnecessary restrictions on Iran-related trade has forced Iranian pharmaceutical companies to reroute certain business transactions that are fully authorized under US law through the informal *hawala* system. This trend has significantly increased the costs with minimum transparency, and forced pharmaceutical companies to also choose alternatives with lower quality.

In light of the concerns outlined above, we would appreciate a written response to the following questions related to the steps the US government is taking to fulfil its responsibility under international law to protect the Iranian people's right to health:

1. What mechanisms are in place to monitor the effectiveness of OFAC's general licences and exemptions, including specifically those related to the transactions in food and medicine with Iran?
2. What actions has the US government undertaken to address the problem of overcompliance with US sanctions in light of its negative effect on the right to health for Iranians residing in Iran?
3. Has the US government issued any informal or formal guidance to organizations or companies who seek to alleviate humanitarian suffering in Iran but may not have obtained a specific license?
4. Is the US government aware of any mechanism currently available to US persons to facilitate humanitarian transactions with Iran that are authorized and/or exempted under US sanctions?
5. What initiatives has the US government taken to address the needs of the most vulnerable populations in Iran?

Please direct your response and any questions to my colleague, Iran Researcher, Tara Sepehri Far via email at sepehrt@hrw.org or phone at +1-202-612-4371.

We thank you for your time and consideration of this matter.

Sincerely,



Sarah Margon
Washington Director
Human Rights Watch



Michael Page
Deputy Director
Middle East and North Africa
Human Rights Watch

Appendix III: Letter to US Department of State

1275 K Street, NW
Suite 1100
Washington, DC 20005
Tel: +1-202-612-4321
Fax: +1-202-612-4333; 202-478-2988

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*In Memoriam (1995-2019)

October 16, 2019

Mr. David Peyman
Deputy Assistant Secretary for Counter Threat Finance and
Sanctions
Bureau of Economic and Business Affairs
US Department of State

Re: US Economic Sanctions' Impact on Iranians' Right to Health

We write to request information in connection with research that Human Rights Watch is currently conducting on the impact of US economic sanctions on Iran, including the rights of the Iranian people under international law to maintain access to health and medication.

In particular, we seek your response to the questions set out below and we would appreciate a reply by October 21, 2019 so that we can reflect your response in our forthcoming publication. A version of this letter was sent to the the US Department of Treasury's Office of Foreign Asset Control (OFAC) in May 2019.

As you know, OFAC maintains general licenses and exemptions that allow for the export of "certain food items, medicines, and basic medical supplies to Iran without further specific authorization." These provisions also authorize financial transactions in support of trade in certain food, medicine, and medical devices from the United States or from a foreign country without specific authorization.

However, in the lead up to the re-imposition of certain sanctions in November 2018, OFAC severely restricted Iran's access to global financial markets. Over the past year, the US Treasury has imposed additional sanctions on several Iranian financial institutions, including Iran's Central Bank, under US counter terrorism provisions. The serious regulatory and due diligence requirements placed on international trade with Iran has left only a small number of companies and banks with the capacity to trade with Iran that are willing to accept the increased financial and legal risk that comes with those transactions. Our research shows that this issue, combined with sharp depreciation of Iranian rial, has severely limited the ability of Iranian companies and hospitals to purchase essential medicines from outside Iran.

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Research conducted by Human Rights Watch also shows that in practice Iran is currently able to conduct business through a limited number of banks closely affiliated with countries that had previously received special waivers from the US in November 2018 to continue purchasing Iran's oil. These banks have used Iran's oil revenue held in escrow accounts to execute certain financial transactions for medicine and other items determined by the Iranian government to be essential goods. Over the past month, the United States has announced that it will not renew waivers for countries to purchase Iran's oil, and announced that it aims to drive Iran's oil exports to zero. The US has also placed Iran's metal industry under sanctions.

Based on our research, we understand that overcompliance by banks and pharmaceutical companies is a significant factor in limiting Iran's access to certain medicines. In particular, we understand that unnecessary restrictions on Iran-related trade has forced Iranian pharmaceutical companies to reroute certain business transactions that are fully authorized under US law through the informal *hawala* system. This trend has significantly increased the transaction costs with minimal transparency and also limited pharmaceutical product alternatives that are lower quality than previously available.

In light of the concerns outlined above, we would appreciate a written response to the following questions related to the steps the US government is taking to fulfil its responsibility under international law to protect the Iranian people's right to health:

1. What mechanisms are in place to monitor the effectiveness of OFAC's general licences and exemptions, including specifically those related to the transactions in food and medicine with Iran?
2. What actions has the US government undertaken to address the problem of overcompliance with US sanctions in light of its negative effects on the right to health for Iranians residing in Iran?
3. Has the US government issued any informal or formal guidance to organizations or companies who seek to alleviate humanitarian suffering in Iran but may not have obtained a specific license?
4. Has the US government issued any clarification or guidance about how to navigate potential liability of conducting humanitarian business in light of recent broad terrorism designations?
5. Is the US government aware of any mechanism currently available to US persons to facilitate humanitarian transactions with Iran that are authorized and/or exempted under US sanctions?
6. What initiatives has the US government taken to address the needs of the most vulnerable populations in Iran?
7. How many licenses as well as letters of comfort has the OFAC office issued for US and non-US entities that have sought to conduct humanitarian trade with

Iran? How many of these licenses and letters were issued, especially for export of medicine and medical equipment?

Please direct your response and any questions to my colleague, Iran Researcher Tara Sepehri Far via email or phone at sepehrt@hrw.org or +1-202-612-4371.

We thank you for your time and consideration of this matter.

Sincerely,



Michael Page
Deputy Director
Middle East and North Africa
Human Rights Watch



Andrea Prasow
Acting Washington Director
Human Rights Watch

Appendix IV: Letter to Dr. Javad Zarif

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350 Fifth Avenue, 34th Floor
New York, NY 10118-3299
Tel: 212-290-4700
Fax: 212-736-1300

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HUMAN
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April 25, 2019

Dear Dr. Zarif,

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It was great seeing you at the Council of Foreign Relations' meeting today. As we discussed, Human Rights Watch seeks to travel to Iran to investigate the impact of economic sanctions imposed by the United States on Iranians' right to health, in particular their access to vital medicine and medical equipment. To conduct this research, we would seek to meet with affected communities, including patients, doctors, and pharmaceutical and medical companies, as well as authorities in Iran's health sector, to document the way in which sanctions have potentially interfered with their ability to obtain and deliver medicines.

We would seek to carry out this research in Tehran, Karaj, and Isfahan and would propose to travel to Iran in June. We would share widely our findings of any harmful impacts of the sanctions on the health of the Iranian population, including violations of their right to health, with the international community, and advocate against any policies, including sanctions, that so harm the Iranian public.

Human Rights Watch has extensive experience documenting the impact of sanctions, as well as access to medicine in numerous countries around the world. Most recently, in Venezuela, Human Rights Watch documented how severe shortages of medicines and medical supplies make it extremely difficult for many Venezuelans to obtain essential medical care. In Iraq, we also criticized the negative impact of international sanctions on infrastructure and civilian goods.

I look forward to hearing back from you and to discuss the logistics and delegation for the trip with your office. Should you have any questions or need to get in touch please do not hesitate to contact my colleague, Michael Page, pagem@hrw.org.

Sincerely,



Sarah Leah Whitson
Executive Director
Middle East and North Africa
Human Rights Watch

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