
US REJECTS EU REQUEST FOR IRAN SANCTIONS RELIEF

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The US said it would impose "unprecedented financial pressure on Iran." The refusal to grant EU businesses an exemption for Iran sanctions pushes Europe and the US further down a collision course over ties to Tehran.

The United States has rejected a European request for some of its key businesses to be exempt from US sanctions on Iran.

Ministers from Germany, France, the UK and European Union last month requested broad carve-outs from Washington's Iran sanctions for sectors including health care, finance, automotive and energy doing business with Iran.

In a letter to European nations, US Secretary of State Mike Pompeo and Treasury Secretary Steven Mnuchin rejected the appeal, NBC News reported, citing US and European officials.

"We will seek to provide unprecedented financial pressure on the Iranian regime," the letter stated. It also said the United States would only make exemptions if it served its own national security interests.

Washington's refusal, while widely expected, adds to already strained trans-Atlantic relations after President Donald Trump launched repeated verbal broadsides against long-time US allies and threatened to escalate a brewing trade war.

It comes as the Trump administration ramps up pressure on Europe and other countries to cut economic ties with Iran over what Washington called Tehran's support for terrorism and spreading of regional instability.

In May, Pompeo issued a 12-point list of demands from Iran, including halting its ballistic missile program and ending interventions in Syria and Yemen. Analysts and former US officials told DW at the time that the Trump administration revealed that it had little desire for a diplomatic solution, but looked rather to be pursuing a policy of economic pressure designed to topple the Iranian regime.

The letter to European nations said the US would ramp up economic pressure on Iran until there was a "tangible, demonstrable and sustained shift in the policies we have enumerated," NBC reported.

European states have sought to protect their businesses operating in Iran following the Trump

administration's withdrawal earlier this year from the Joint Comprehensive Plan of Action (JCPOA), known as the Iran nuclear deal. The US ambassador to Germany, Richard Grenell, in May told German companies to "immediately" wind down their business in Iran.

The JCPOA lifted punishing nuclear-related international sanctions on Tehran in exchange for it agreeing to dismantle its nuclear program and subjecting it to extensive monitoring and evaluation. The United States, Germany, France, UK, Russia, China and the European Union signed the deal with Iran.

Washington's rejection of the exemption requests means that European companies that rushed to do business with Iran following the lifting of sanctions could be subjected to extra-territorial enforcement of US sanctions and be cut off from the US-dominated world financial system.

The first round of US sanctions on Iran goes into effect in August, followed by ones targeting Iran's oil exports in November.

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A number of European businesses have already exited or announced plans to reduce their activity in the Iranian market over concerns of US sanctions.

Read more: [Iran calls for EU help as French shipping giant leaves](#)

The US sanctions also pummeled the Iranian currency, stoked inflation and put pressure on the Iranian government, which is demanding Europe provide economic relief.

The EU is scrambling to ensure Iran remains in the nuclear deal despite the US withdrawal and declaration of economic war on the Islamic Republic.

European plans center on the possibility of providing non-dollar denominated finance to Iran, direct central bank payments for oil exports and other financial and economic measures.

The EU also updating a so-called "blocking statute" that would protect EU firms that do business with Iran from US extra-territorial sanctions.

In the absence of economic relief, Iran may withdraw from the nuclear deal as hardliners in Tehran become more empowered by the US position.

However, some analysts have pointed out that Iran may opt for strategic patience, betting that Trump will not get re-elected in two years.

Kaynak/Source: