

## Information on the Procurement Channel

*The Procurement Working Group of the Joint Commission has provided this document to give practical information to States on the Procurement Channel. Further details can be found in UN Security Council [resolution 2231 \(2015\)](#) and Annex IV of the [JCPOA](#).*

*The Procurement Channel reviews proposals by States seeking to participate in or permit certain transfers of nuclear or dual-use goods, technology, and/ or related services to Iran. States submit proposals to the United Nations Security Council. The Joint Commission will then assess the application and provide a recommendation to the Security Council. The Security Council will decide on the basis of this recommendation and inform the State about its decision. States may wish to use this [form](#) to provide all relevant information and will need end-use certification by the appropriate Iranian authority (see model [end-use certification](#)).*

Contact information for enquiries:

Security Council: [SC-Resolution2231@un.org](mailto:SC-Resolution2231@un.org)

Joint Commission/Procurement Working Group: [PWG-enquire@eeas.europa.eu](mailto:PWG-enquire@eeas.europa.eu)

### A. General outline of the Procurement Channel

#### 1. What is the Procurement Channel?

*United Nations Security Council resolution 2231 (2015) requires States to obtain prior approval from the Council for certain specified activities with Iran. The Procurement Channel was established by the Joint Comprehensive Plan of Action (JCPOA) and endorsed by the resolution as the mechanism to review proposals by States seeking to engage in these activities with Iran for nuclear and non-nuclear civilian end-uses.*

*Proposals should be submitted to the UN Security Council. The Security Council will forward proposals to the Procurement Working Group of the Joint Commission, which is comprised of China, France, Germany, Iran, the Russian Federation, the United Kingdom, the United States, with the High Representative of the Union for Foreign Affairs and Security Policy. The Procurement Working Group will review proposals within a specified timeline and submit a recommendation on behalf of the Joint Commission to the Security Council for its final review and decision. The Security Council will then notify the proposing State whether its request has been approved or disapproved.*

## 2. What does the Procurement Channel cover?

*The procurement channel generally covers:*

*(1) The supply, sale or transfer of nuclear and dual-use items, materials, equipment, goods, and technology (set out in [INFCIRC/254/Rev.13/Part 1](#) and [INFCIRC/254/Rev.10/Part 2](#)<sup>1\*</sup> for nuclear and non-nuclear civilian end-uses, as well as any further items if the relevant State determines that they could contribute to activities inconsistent with the JCPOA).*

*(2) The provision to Iran of assistance or services related to the supply, sale, transfer, manufacture, or use of nuclear and dual-use goods (e.g. technical assistance or training, financial assistance, investment, brokering).*

*(3) The acquisition by Iran of an interest in certain commercial nuclear-related activity in another State and related investments.*

*See Annex B of Security Council resolution 2231 (2015) and paragraph 6.1 of Annex IV of the JCPOA for more detail.*

## 3. Which nuclear related activities do not need to be reviewed by the Procurement Channel?

*Under paragraph 2 of Annex B of resolution 2231 (2015), approval in advance by the Security Council shall not be required for:*

*A. the supply, sale, or transfer of items, materials, equipment, goods and technology, and the provision of any related technical assistance, training, financial assistance, investment, brokering or other services, that is directly related to*

- The modification of the two cascades at Fordow facility for stable isotope production*
- the export of Iran's enriched uranium in excess of 300kg in return for natural uranium*
- the modernisation of the Arak reactor based on the agreed design*

*Provided that specific requirements are met: (a) all such activities are undertaken strictly in accordance with the JCPOA; (b) they notify the Security Council and Joint Commission ten days in advance of such activities; (c) the requirements, as appropriate, of the Guidelines as set out in the referenced INCIRC have been met; (d) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; (e) in case of supplied items, materials, equipment, goods and technology listed in the referenced INFCIRCS, they also notify the IAEA within ten days of the supply, sale or transfers.*

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<sup>1</sup> \*Or the most recent versions of these documents as updated by the Security Council; this reference applies to all further "\*" within this document.

*B. the supply, sale, or transfer to Iran of:*

- *equipment covered by Section B.1 of [INFCIRC/254/Rev.13/Part 1](#) when such equipment is for light water reactors;*
- *low-enriched uranium covered by A.1.2 of [INFCIRC/254/Rev.13/Part 1](#) when it is incorporated in assembled nuclear fuel elements for such reactors; as well as*
- *items, materials, equipment, goods and technology set out in [INFCIRC/254/Rev. 10/Part 2](#) only when for exclusive use in light water reactors.*

*Provided that specific requirements are met: (a) the requirements, as appropriate, of the Guidelines as set out in the referenced INFCIRCs have been met; (b) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; (c) they notify the Security Council within ten days of the supply, sale, or transfer; and (d) in the case of supplied items, materials, equipment, goods and technology listed in the referenced INFCIRCs, they also notify the IAEA within ten days of the supply, sale or transfer.*

#### **4. How do States submit a proposal under the Procurement Channel?**

*States are encouraged to send proposals by email to [SC-Resolution2231@un.org](mailto:SC-Resolution2231@un.org). States may use the model [application form](#) that includes all necessary supporting information as specified by United Nations Security Council resolution 2231 (2015) and Annex IV of the JCPOA. Additional information on how to fill out this form is available [here](#). It is helpful to submit the proposals in a machine readable format as this is likely to speed up the review process.*

#### **5. Can private entities, such as exporters or providers of technical assistance, submit a proposal or engage directly with the Security Council or Joint Commission?**

*The Procurement Working Group will endeavour to respond to requests for guidance from third parties. Private entities are encouraged to contact their national authorities first. Private entities cannot directly submit proposals or engage with the Security Council. Exporters and providers of technical assistance will need to apply to the competent national authority for the relevant authorisation, in accordance with their national legislation. The Security Council will not respond to inquiries received directly from companies or individuals.*

#### **6. What information is required in a proposal?**

*The necessary supporting information for a proposal is defined in paragraph 6.4.2 of Annex IV of the JCPOA. It includes:*

- (a) a description of the item;*
- (b) the name, address, telephone number, and email address of the exporting entity;*
- (c) the name address, telephone number, and email address of the importing entity;*

*(d) a statement of the proposed end-use and end-use location, along with an end-use certification signed by the Atomic Energy Organisation of Iran (AEOI) or the Ministry of Industry, Mine and Trade of Iran attesting to the stated end-use;*

*(e) export license number, if available;*

*(f) contract date, if available; and*

*(g) details on transportation, if available.*

*If the information (e), (f) and (g) is not available when a proposal is submitted to the Security Council, it must be provided by the proposing State as soon as possible and in any event as condition of approval prior to shipment of the item.*

*Using the application form will help States to provide all necessary information. In addition, States may provide as much information and technical detail as they consider relevant. Particular attention should be given to the description of the item, which should allow for a proper understanding of the item in question (see question19 below).*

*The proposing State may provide additional information while a proposal is being reviewed.*

#### **7. What happens if the proposal is incomplete?**

*Incomplete proposals will likely be disapproved due to the lack of sufficient information.*

#### **8. Can disapproved proposals be resubmitted?**

*Yes - if States resubmit disapproved proposals, they should include the original reference number assigned by the United Nations. It would be helpful to provide an explanation of the changes and amendments made.*

*The Procurement Working Group may provide information regarding a disapproval that would help any future submissions.*

#### **9. In what language can proposals be submitted?**

*Proposals should be submitted to the Security Council in any of the six official languages of the United Nations. If needed, documents will then be translated by the United Nations Secretariat. This will be done before the beginning of the review period in the Joint Commission.*

**10. How are proposals decided? How long will the review process take?**

*After receiving a proposal, the Security Council will consult the Joint Commission. The Procurement Working Group has 20 working days (extendable to 30 working days) to make a recommendation. Approvals will be based on consensus. At least two members of the Procurement Working Group may refer recommendations to disapprove to the Joint Commission for review within five working days. The Joint Commission will make a decision whether to approve the proposal by consensus within 10 working days.*

*Based on the Joint Commission's recommendation the Security Council will either approve or disapprove a proposal submitted by a State within five working days. The Security Council will notify the proposing State of the outcome of the review.*

**11. What if there are changes to the proposed activity during the review process?**

*States may need to resubmit the proposal if there are changes concerning any of the necessary supporting information as defined in Paragraph 6.4.2 of Annex IV of the JCPOA, in particular (a) description of the item (including changes of the quantity); (b) the name, address, telephone number, and email address of the exporting entity; (c) the name address, telephone number, and email address of the importing entity; or (d) a statement of the proposed end-use and end-use location, along with an end-use certification signed by the Atomic Energy Organisation of Iran (AEOI) or the Ministry of Industry, Mine and Trade of Iran attesting the stated end-use.*

*If the change concerns (e) export license number; (f) contract date; or (g) details on transportation, States do not need to resubmit the proposal, but should provide the Security Council with the updated information..*

**12. What happens after approval by the Security Council?**

*When notifying a proposing State of an approval, the Security Council will provide a letter of approval for the activity in question and assign the reference number. This certification can be used by the entities involved in the transaction as an accompanying document for the shipment of the items in question and be presented to national authorities.*

**13. How is the confidentiality of proposals treated?**

*The operation of the procurement channel is subject to the confidentiality of the UN. In addition to the confidentiality of the UN, the Procurement Working Group abides by the "[Statement on Confidentiality in the Procurement Working Group and the Joint Commission for matters relating to the Procurement Channel](#)".*

## **B. Further questions and answers**

### **14. Which State is responsible for submitting the proposal? What happens if more than one State is involved in the transaction?**

*The first State seeking to engage in a transfer requiring approval by the Security Council should submit the proposal. If the Security Council approves the proposed transfer, activities, such as financial, transportation, and insurance transactions directly related to the approved transfer that are consistent with UNSC resolution 2231 (2015) and the JCPOA may also be considered approved for that transfer. Information on these activities must be provided by the State to the Security Council as soon as possible and in any event as a condition of approval before the activity taking place. States would need to submit a new proposal for any additional items not identified in the original proposal. Any State that has questions may contact the Security Council for guidance.*

*For an activity involving several States, there are optional fields in the application form for the State submitting the proposal to identify other entities involved in the transaction. In such circumstances, approval of the proposal identifying such other entities is sufficient to provide approval for the participation of such other entities (and there need not be a separate proposal).*

### **15. Can a proposal cover multiple activities?**

*A proposal can cover multiple activities, such as the supply of several goods or the supply of goods together with related services. States are to submit national applications that cover all possible activities and related services (e.g. exports and related maintenance services). If the Security Council approves the proposed transfer, activities, such as financial, transportation, and insurance transactions directly related to the approved transfer that are consistent with UNSC resolution 2231 (2015) and the JCPOA may also be considered approved for that transfer. Information on these activities must be provided by the State to the Security Council as soon as possible and in any event as a condition of approval before the activity taking place. States would need to submit a new proposal for any additional items not identified in the original proposal. Any State that has questions may contact the Security Council for guidance.*

### **16. Can a proposal cover more than one item?**

*A proposal can cover several items. Separate sheets with a description of the additional items should be attached to the application form. A decision will be taken on the application as a whole.*

**17. Where can I find more information on the items in question? Where are INFCIRC/254/Rev.13/Part 1 or INFCIRC/254/Rev. 10/Part 2\*?**

*The list of nuclear goods and technology (INFCIRC/254/Rev.13/Part 1) can be found [here](#) and the list of dual-use goods and technology (INFCIRC/254/Rev.10/Part 2) can be found [here](#). States are encouraged to check the items in question against these lists and provide the accurate control list entry. States should provide relevant information/documentation to support the classification.*

**18. Can a proposal include items which are set out in S/2015/546 as well as in INFCIRC/254/Rev.13/Part 1 or INFCIRC/254/Rev. 10/Part 2\*?**

*A proposal may include items which fall both under S/2015/546, as well as one of the INFCIRCs. Such a proposal should be submitted for review as an activity falling under Paragraph 2 of Annex B of Security Council resolution 2231 (2015). The Security Council will decide on such proposals based on a recommendation of the Joint Commission.*

**19. What technical information about the item is required?**

*States are encouraged to provide the relevant entry in [INFCIRC/254/Rev.13/Part 1](#) and [INFCIRC/254/Rev.10/Part 2\\*](#), if applicable. States should provide relevant information/documentation, including the relevant technical parameters, to support the classification.*

*Additional technical specifications, such as a data sheet, product catalogue, diagram or picture may also be presented.*

**20. Which entities need to be included in the proposal?**

*Proposals must include the exporting entity, the importing entity and the end-user (if different from the importing entity). The exporting entity is the company or individual that enters into the contract with the Iranian counterpart. The importing entity is the entity in Iran importing the items or benefitting from related assistance or services. In many cases, this will be the end-user of the items or the recipient of the assistance or services in question. Additional entities involved in the transfer (e.g. agents, brokers, first consignees or freight handlers) should be provided on a separate sheet with an explanation of their respective roles in the transaction.*

**21. What should the statement of the proposed end-use and end-use location include?**

*The statement of proposed end-use should clarify whether the end-use will be for Iran's nuclear programme authorized by the JCPOA or a civilian non-nuclear end-use. If the end-use is for a nuclear purpose, the proposal will also be shared with the International Atomic*

*Energy Agency (IAEA). It should also clarify the purpose for which the item(s) will be used. The end-use location is the location where the item is actually used or consumed. Its description should include an address, which may be different from the head office of the end-user.*

## **22. What are the requirements of the guidelines set out in the INFCIRCs?**

*For transfers of nuclear goods as set out in [INFCIRC/254/Rev.13/Part 1\\*](#) this includes in particular the requirements set out in paragraph 9, controls on retransfers, of the guidelines for nuclear transfers.*

*For transfers of dual-use goods as set out in [INFCIRC/254/Rev.10/Part 2\\*](#) this includes in particular the requirements set out in paragraph 7, consent rights over retransfers, of the guidelines for transfers of nuclear-related dual-use equipment, materials, software and related technology.*

*These requirements can be met by including relevant information in the end-user certification.*

## **23. What information should be provided on end-use verification?**

*Proposing States should confirm that they have obtained and are in a position to exercise effectively a right to verify the end-use and location of end-use as required by paragraph 2 of Annex B of UNSC resolution 2231 (2015).*

*The proposing State may provide further information on the intended measures to verify the end-use*

## **24. Who provides an end-use certification?**

*If goods and services are for Iran's nuclear programme as set out by the JCPOA, the end-use certification needs to be signed by the Atomic Energy Organisation of Iran (AEOI). For non-nuclear civilian end-use, the end-use certification needs to be signed by the [Ministry of Industry, Mine and Trade of Iran](#). The end-use certification should attest the stated end-use.*

*The end-use certification needs to be issued by the appropriate authority of Iran (see above). A model end-use certification for the purpose of the procurement channel can be found [here](#) and an explanatory note can be found [here](#).*

**25. What is the procedure regarding proposals for activities pursuant to paragraph 2 of Annex B of resolution 2231 (2015) in cases where the goods in question are intended to remain in Iran only for a certain period of time and subsequently leave Iran?**

*Proposals for activities pursuant to paragraph 2 of Annex B of resolution 2231 (2015) in cases where the goods in question are intended to remain in Iran only for a certain period of time and, subsequently, leave Iran, will follow the established procedure within the Procurement Channel, including an end-use certification signed by the designated national authority in Iran.*

*The Participants of the Procurement Working Group will endeavor to expedite and facilitate the process of providing a recommendation on proposals on temporary exports for demonstration or display in an exhibition. The proposing State may be contacted to provide information on the temporary nature of the export to Iran.*