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Iran: New European Initiatives for Non-Dollar Trade to Come

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European Union Foreign Policy Chief Federica Mogherini announced, in September, the establishment of a legal entity that would facilitate business between Iran and international trading partners.

On Wednesday, Iran praised European efforts to [maintain business](#) with Tehran despite U.S. sanctions, citing discussions to conduct non-dollar trade. "We had constructive meetings with British and French officials and nuclear negotiators in Tehran," Iranian Deputy Foreign Minister Abbas Araghchi said, in a tweet, on the occasion of the British Foreign Secretary Jeremy Hunt's visit.

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In May, U.S. President Donald Trump's Administration [reimposed sanctions](#) on Iran in an attempt to prevent the entry of financial resources for the country. As a reaction to the sanctions, the European Union's (EU) Foreign Policy Chief Federica Mogherini announced, in September, the establishment of a legal entity that would facilitate business between Iran and [international trading partners](#).

The "Special Purpose Vehicle" (SPV) system was conceived of as a barter-based system to avoid handling dollars by keeping "credit" records.

"If Iran exports crude oil to a French company," according to an Al Bawaba report, "[that] company would register an agreed amount of "credit" with the SPV. Iran could then arrange to import goods from an Italian company, and that company could claim back the credit from the SPV as payment. Technically, this translates to no dollars changing hands with Iranian companies.

A French delegation was also in Tehran, on Wednesday, to meet with Araghchi, who commented that "the EU and the three European countries are still determined to save the JCPOA (Joint Comprehensive Plan of Action) [nuclear deal]. New initiatives are being designed for the SPV."

The Iranian foreign ministry's spokesman said that Iran had not yet given up hope on the mechanism.

"We have not been able yet to finalize the (SPV) issue to facilitate Iran's purchase of essential goods, and business with small and medium-sized enterprises," Bahram Qasemi said.

However, the United States' stance has not changed.

Recently, U.S. Special Representative for Iran, Brian Hook, threatened to [sanction](#) European banks and companies that are or become associated with the SPV.

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