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Sanctions Update:

U.S. sanctions eight Indian nationals and nine entities
in latest round of Iran sanctions

U.S. SANCTIONS EIGHT INDIAN NATIONALS AND NINE ENTITIES IN LATEST ROUND OF IRAN SANCTIONS

Introduction

The U.S. has recently expanded its Iran-related sanctions, targeting several individuals and entities across multiple jurisdictions, including India.

More specifically, on October 9, 2025, the U.S. Departments of State and the Treasury announced coordinated sanctions on approximately one hundred (100) individuals, entities, and vessels involved in facilitating Iranian oil, petroleum, and liquefied petroleum gas (**LPG**) sales. The US Department of State designated around forty (40) targets pursuant to Executive Order (**E.O.**) 13846¹, while the Department of the Treasury's Office of Foreign Assets Control (**OFAC**) sanctioned approximately sixty (60) actors primarily under E.O. 13902, alongside E.O. 13846.²

Notably, the designations span several jurisdictions, including India, China, the United Arab Emirates, Hong Kong, Singapore, India, the Marshall Islands, and others, illustrating the extensive reach of US latest measures to counter Iran's global sanctions evasion network. Of these, eight (8) Indian individuals and nine (9) Indian entities have been designated, thus, underscoring U.S.'s growing focus on Indian involvement in the facilitation of Iranian petroleum and LPG shipments.

Reasons and Implications

In general, U.S. sanctions include listing the concerned entity/individual under the Specially Designated Nationals and Blocked Persons List (**SDN list**). The US has added the eight (8) Indian individuals' and nine (9) Indian entities' names to the SDN list³ for operating in the petroleum sector of the Iranian economy, *inter alia* in the following manner:

- Facilitating the shipment and transport of Iranian LPG and petrochemical products to destinations including China, Pakistan, and Bangladesh through India-linked shipping firms and vessels.
- Acting as owners, operators and managers of vessels used to transport Iranian-origin LPG in violation of U.S. sanctions.
- Providing shipping and logistical services in support of Iran's petroleum export network, thereby materially assisting Iranian state-linked entities engaged in the trade of sanctioned energy commodities.
- Knowingly engaging in significant transactions for the purchase, acquisition, sale, transport, or marketing of Iranian-origin petrochemical products, including methanol and toluene, from U.S.-designated entities.
- Importing large volumes of Iranian-origin petrochemical products into India through trading companies.
- Acting for or on behalf of U.S.-designated Iranian and third-country entities by maintaining commercial relationships that enabled the financing, shipment, and concealment of Iranian petroleum and petrochemical exports.

As a result, the implications of listing the aforementioned entities/persons under the SDN list include *inter alia* the following:

- The property and interests in property of these entities/persons that are in the U.S. or in the possession or control of U.S. persons are blocked. As an illustration, the bank accounts or funds of such entities/persons in the U.S. would be blocked.

¹ See U.S. Department of State Fact Sheet, available at URL: <https://www.state.gov/releases/office-of-the-spokesperson/2025/10/sanctioning-entities-trading-in-iranian-petroleum-and-petrochemicals#:~:text=The%20Department%20of%20the%20Treasury,sanctions%20with%20respect%20to%20Iran> (Last Accessed on October 17, 2025)

² See U.S. Department of State Press Release, available at URL: <https://home.treasury.gov/news/press-releases/sb0275> (Last Accessed on October 17, 2025)

³ See Specially Designated Nationals List maintained by U.S. OFAC, available at URL: [sdnlist.pdf](https://www.ofac.sdnlist.pdf) (Last Accessed on October 17, 2025)

- Any entities that are owned, directly or indirectly, fifty (50) percent or more by one or more blocked persons are also blocked.

The US persons, or non-US persons dealing with such designated or blocked persons also run the risk of violating US sanctions.

Conclusion

Pursuant to the National Security Presidential Memorandum 2 (**NSPM-2**) issued by U.S. President Donald Trump on February 2, 2025, it remains the policy of the U.S. to impose maximum economic pressure on the Iranian regime, with the objective of curtailing Iran's ability to finance terrorism and other destabilizing activities. Consistent with this policy, the U.S. has continued to tighten sanctions targeting Iran's petroleum and petrochemical sectors – principal sources of revenue for the regime.

Specifically, the aforementioned Indian individuals and entities have been designated under U.S. sanctions for their involvement in transactions involving Iranian-origin petrochemical and energy products, in contravention of Section 3 (a)(iii) of the E.O. 13846. While these transactions may have been compliant with the relevant Indian law, the U.S.' sanctions legal regime extends even to non-U.S. persons engaged in prohibited dealings with Iran, thus creating extraterritorial exposure for Indian businesses.

With regard to sanctioned entities and individuals, as an immediate next step, it is critical to evaluate both short-term and long-term strategies, including seeking delisting from the U.S. sanctions lists. Ultimately, the nature and factual context of the sanctions across various statutes, agencies, and jurisdictions should be evaluated to determine the overall impact and strategy, especially in relation to delisting and related actions. That said, the delisting procedure, even in a best-case scenario, may typically take around a year to conclude. Once a delisting petition is filed, the listed entity may also consider advocacy efforts through appropriate channels, particularly in the context of ongoing India–U.S. negotiations on bilateral trade, to reinforce its case for removal from the list.

From an Indian legal perspective, it is important to note that such U.S. sanctions (including those imposed under Section 3 (a)(iii) of the E.O. 13846 measures) do not have a direct impact on domestic transactions including purchase, sales and/or clearance of payments within India. Nonetheless, given the extraterritorial application of U.S. sanctions, Indian companies with cross-border linkages must adopt a cautious approach even when engaging in such domestic transactions. Further, the nature and factual circumstances of the sanctions imposed under different statutes, agencies and jurisdictions must be considered to evaluate any overall impact and to formulate an appropriate strategic response.

More broadly, all Indian businesses, particularly those engaged in cross-border trade, should adopt and strengthen internal compliance mechanisms, including screening, documentation, and monitoring frameworks, to prevent or mitigate potential violations of U.S. sanctions. A sustained focus on compliance and behavioural reform is therefore not only integral to the delisting process for sanctioned entities but also essential for preserving the credibility and resilience of Indian companies in the global marketplace.

Lastly, the U.S. OFAC has provided certain examples of situations that may result in delisting: a positive change in behaviour, the death of an SDN-listed person, the basis for the designation or other sanction no longer existing, or the designation or sanction having been made due to mistaken identity. Accordingly, it is important that sanctioned entities take concrete steps to demonstrate behavioural change, as appropriate, *inter alia*, by instituting robust internal compliance frameworks through the drafting and adoption of appropriate policies and standard operating procedures. Regular training and induction programmes are also essential to demonstrate that a strong sanctions compliance programme is in place. Furthermore, entities should carefully review the terms and conditions of contracts executed with various stakeholders, such as service providers and customers, particularly clauses relating to sanctions and their applicability, to identify and plan for critical actions in the event of a sanctions listing. Such demonstrable improvements in compliance culture and governance practices may play a persuasive role in supporting delisting petitions and mitigating the perception of continued sanctions risk.

Economic Laws Practice (**ELP**) has been assessing sanctions laws and regulations in several jurisdictions and regularly advising clients of any potential exposure to such regulations on account of their potential business engagements. ELP also has a reach that extends to jurisdictions across the globe through its extensive network of foreign lawyers and consultants, who in turn work closely with regulators and government authorities in respective jurisdictions.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at elptrade@elp-in.com or write to our authors:

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