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**SANCTIONS UPDATE:
U.S. SANCTIONS – Sanctions on India based entity and
national under E.O. 13846 (Iran)**



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Introduction

On May 28, 2026, the U.S. Department of State, designated multiple individuals, entities, and vessels under Executive Order (E.O.) 13846, targeting networks involved in the purchase, acquisition, transport, and marketing of Iranian-origin petroleum and petrochemical products. As part of this action, **Rishabh Triexim LLP**, an India-incorporated petrochemical trading firm has been designated, along with **Swaroop Jayantilal Bagrecha**, an Indian national prominently associated with the above company. The new sanctions underscore U.S.'s growing focus on Indian involvement in the facilitation of Iranian petroleum and petrochemical products.

Legal Framework

E.O. 13846 forms part of the U.S. “maximum pressure” sanctions regime reimposing restrictions on Iran’s energy, shipping, and financial sectors. The order authorises the imposition of blocking sanctions on persons engaged in significant transactions involving Iranian petroleum or petrochemical products, including non-U.S. entities and individuals.

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 one (1) Indian entity and one (1) Indian national and resident to the SDN list for engaging the trade of Iranian origin petrochemical products.

Specifically, **Rishabh Triexim LLP**, an India-incorporated petrochemical trading firm, was sanctioned for engaging in imports of approximately USD 54.6 million (about INR 520 Crore) worth of Iranian-petrochemical products from multiple companies between February and August 2024. In parallel, **Swaroop Jayantilal Bagrecha**, an Indian national and designated partner of the aforesaid company, was also designated in his capacity as a principal executive or person performing similar functions and with similar authorities, of Rishabh Triexim LLP.

The implications of being listed under the SDN list include *inter alia* the following:

- The property and interests in property (of this entity/ individual) 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.
- Any entities which are owned 50% or more (directly or indirectly, individually or in aggregate) by the designated persons are treated as blocked.

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

Conclusion

The designation of the aforementioned Indian entity/ individual under U.S. sanctions relates to alleged involvement in transactions concerning Iranian-origin petrochemical and energy products under E.O. 13846. While such U.S. sanctions do not directly restrict purely domestic transactions within India, Indian companies with international business exposure should remain cognizant of the extraterritorial reach of U.S. sanctions and assess potential downstream risks arising from cross-border linkages. In this regard, businesses should particularly focus on:

- Evaluating the factual basis, scope, and jurisdictional reach of the relevant sanctions measures;

- Assessing exposure arising from overseas operations, U.S. dollar transactions, foreign counterparties, and global banking relationships;
- Strengthening sanctions compliance frameworks, including screening, monitoring, and documentation controls;
- Ensuring timely internal reviews and corrective measures where potential sanctions risks are identified; and
- Adopting sustained compliance and behavioural reforms to mitigate enforcement risks and preserve commercial credibility in global markets.

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 global reach through its extensive network of foreign lawyers and consultants, who in turn work closely with regulators and government authorities in their 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 insights@elp-in.com or write to our authors:

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