ELP ECONOMIC LAWS PRACTICE
ADVOCATES & SOLICITORS

SANCTIONS UPDATE:
U.S. Expands Iran Sanctions under "Operation Economic Outcast" – New Sectoral Measures and India-Related Measures

U.S. EXPANDS IRAN SANCTIONS UNDER "OPERATION ECONOMIC OUTCAST" – NEW SECTORAL MEASURES AND INDIA-RELATED MEASURES

INTRODUCTION

On August 24, 2026, the United States expanded its stringent sanctions measures against Iran under "Operation Economic Outcast". The measures extend the scope of Executive Order (**E.O.**) 13902 to include five additional sectors i.e., digital assets, technology, gold, aviation and shipping sectors, include sanctions against certain entities, individuals and vessels connected with Iran, and modify certain existing Iran-related general licences.

Notably, the measures also include sanctions against four India-based entities and three Indian nationals linked to trade in Iranian-origin petroleum and petrochemical products. The India-related measures underscore the U.S. Government's continued focus on third-country businesses and intermediaries involved in Iran-related transactions.

SCOPE OF OPERATION ECONOMIC OUTCAST

Expansion of E.O. 13902

E.O. 13902 dated January 10, 2020, was originally issued to target Iran's construction, mining, manufacturing and textiles sectors. In October 2020, the financial sector was added to its scope, followed by the petroleum and petrochemical sectors, effective October 11, 2024.

In furtherance of its "Operation Economic Outcast," the United States issued a determination[1], effective August 24, 2026, expanding the scope of Iranian sectors under E.O. 13902 for the following reasons:[2]

- ***Digital Assets:*** The determination notes that the Iranian regime has increasingly turned to cryptocurrency to evade sanctions and facilitate transactions involving the Islamic Revolutionary Guard Corps (**IRGC**) and Iranian regime insiders.
- ***Technology:*** The determination states that Iran is seeking access to advanced technologies and attempting to incorporate such technologies into its domestically manufactured weapons programmes.
- ***Gold:*** The determination observes that, amid the deterioration of Iran's formal financial sector, the regime has increasingly sought to use gold to support the Iranian Rial and hedge against high inflation.
- ***Aviation:*** The determination notes that Iran continues to use ostensibly commercial airlines, many of which are controlled by the regime or the IRGC, to transport fighters, weapons, sensitive technologies, gold and cash to its proxies.
- ***Shipping:*** The determination highlights the use of Iran's national shipping and tanker services to transport sensitive weapons components and missile precursors and to facilitate the illicit shipment of oil for the benefit of the regime and its military apparatus.

The expansion does not, by itself, designate every person conducting business in the identified sectors, rather, it establishes a basis for imposing sanctions on persons determined to operate in those sectors of Iran.

[1] See, https://ofac.treasury.gov/media/936781/download?inline
[2] See, https://home.treasury.gov/news/press-releases/sb0613/

New List of Entities under Sanctions

The U.S. separately listed approximately 60 individuals, entities and vessels under the Specially Designated Nationals and Blocked Persons (**SDN**) list for their association with networks[3] connected to Iran's:

- Illicit procurement of nuclear and missile technology;
- malicious cyber operations;
- petroleum and petrochemical revenue-generation networks;
- Shipping and shadow-fleet operations; and
- IRGC-linked and sanctions-evasion activities.

The sanctioned entities and individuals are based in or operate from jurisdictions across the globe, including India, China, Hong Kong, the UAE, Türkiye, Singapore, the UK, France, Switzerland, Malaysia and the Marshall Islands, among others. This reflects the transnational nature of the networks targeted by the U.S. sanctions.

India-related Sanctions

For Indian businesses, the U.S. sanctions include the following entities and individuals:

DESIGNATED ENTITIES UNDER THE SDN LIST	REASONS FOR DESIGNATION
Sadashiva Overseas Limited (a.k.a. PJS Overseas Limited)	Alleged import of approximately **USD 69 million** of Iranian-origin petroleum products between February 2024 and June 2025, including from U.S.-designated Bonjoure Commodity F.Z.E.
PP Softtech Private Limited	Alleged import of approximately **USD 25 million** of Iranian-origin petroleum products between January 2024 and June 2025.
Prakrutees Infra Impex India Private Limited	Alleged import of approximately **USD 25 million** of Iranian-origin petroleum products between May 2023 and February 2026, including from Bonjoure Commodity F.Z.E.
Portease Partners LLP	Allegedly acted as an India-based customs broker facilitating the import of multiple shipments of Iranian petrochemical products into India.
Prashant Garg	Director of PP Softtech Private Limited
Harish Ramchandra Rangi	Designated partner of Portease Partners LLP

[3] The U.S. Department of the Treasury relied principally on E.O. 13902, E.O. 13382, E.O. 13694 (as amended) and E.O. 13224 (as amended). Separately, the U.S. Department of State imposed sanctions under E.O. 13949 against Iranian military and conventional-arms actors, and under E.O. 13846 against persons involved in Iranian petroleum and petrochemical trade, including the India-related targets discussed below.

Indrismiya Asharafmiya Shekh	Designated partner of Portease Partners LLP

Changes to Existing General Licences (GL)

The recent action also changes the status of certain existing Iran-related general licences. GLs F (relating to professional and amateur sports activities)[4] and G (relating to certain academic exchanges)[5] have been suspended indefinitely, with GL BB providing a wind-down period until September 8, 2026, for transactions previously authorised under those licences. Separately, GL AA provides a temporary authorisation until October 23, 2026, for certain wind-down and continued-operations transactions involving a French entity, La Nivernaise de Raffinage SAS (**LNR**) and entities it owns 50% or more.

SECTORAL RELEVANCE FOR INDIAN BUSINESSES

All intermediaries and other parties involved in the supply chains of the sectors mentioned below may now be subject to heightened OFAC scrutiny in relation to the supply of goods or services to, from or involving Iran.

Petroleum and Petrochemicals*:* Petroleum and petrochemicals were already subject to extensive U.S. sanctions before the August 24, 2026, action. The latest designations demonstrate the breadth of U.S. enforcement across the commercial chain, including third-country importers, traders, customs brokers, shipping companies and corporate officers. The India-related designations are particularly relevant in this context, given the inclusion of India-based importers and a customs broker involved in Iranian-origin petroleum and petrochemical trade.

Shipping and Maritime Services*:* The latest measures increase sanctions risk for businesses involved in shipping and maritime trade connected with Iran. The accompanying designations target shipowners, vessel managers, shipping companies, bunkering providers and vessels allegedly involved in the movement of Iranian oil and petroleum products. Separately, U.S. OFAC has updated its guidance[6] concerning passage through the Strait of Hormuz, highlighting sanctions risks for U.S. and non-U.S. persons associated with payments, insurance, guarantees and other arrangements involving designated Iranian entities.

Technology*:* The measures increase sanctions risk around Iran-related procurement of sensitive and dual-use technology. The accompanying designations identify procurement involving sensitive and dual-use equipment, including laser optics, accelerometers, actuators and laboratory equipment, allegedly linked to Iranian military and proliferation-related programmes. This is relevant to Indian technology, electronics and engineering businesses with Iran-related activity, particularly where U.S.-origin goods, software or technology are involved.

Digital Assets*:* The digital asset sector is now covered under E.O. 13902. This seems specifically intended to address Iran's increasing use of digital assets as a means of sanctions evasion and follows US Treasury's August 7, 2026,[7] action against Iranian-linked digital-asset exchanges and related networks, including persons alleged to have facilitated transactions involving the IRGC and previously designated Iranian exchanges. The development is relevant to virtual-asset service providers, exchanges, custodians, fintech businesses and financial institutions servicing such businesses.

Gold*:* The measures target Iran's use of gold as an alternative means of preserving value and supporting the Iranian Rial. The US Treasury states that Iran has increasingly sought to use gold to hedge against inflation and

[4] See, Iran General License F - Related to Certain Services in Support of Professional and Amateur Sports Activities and Exchanges Involving the US and Iran - Suspended as of August 24, 2026.
[5] See, Iran General License G - Related to Academic Exchanges and the Exportation or Importation of Certain Educational Services - Suspended as of August 24, 2026.
[6] See, https://ofac.treasury.gov/media/936751/download?inline
[7] See, https://www.state.gov/releases/office-of-the-spokesperson/2026/08/targeting-digital-asset-exchanges-fueling-the-iranian-regime/

financial pressures. The development is relevant to bullion traders, refiners, jewellery businesses, commodity intermediaries, logistics providers and financial institutions involved in gold-related activities.

Aviation: The expanded sanctions framework also covers aviation. The U.S. Treasury has linked the measure to the alleged use of Iranian commercial aviation to move weapons, sensitive technology, gold, cash and personnel. The development is relevant to airlines, aircraft lessors, maintenance and repair providers, aircraft-parts suppliers, ground handlers, insurers and other aviation-service providers with Iran-related exposure.

KEY TAKEAWAYS FOR BUSINESSES

For Indian businesses, the designation of four India-based entities and three Indian nationals is significant. The inclusion of importers, a customs broker and corporate officers indicate that U.S. sanctions exposure may extend beyond the principal buyer or seller in an Iran-related transaction.

The sectoral expansion, with effect from August 24, 2026, is particularly relevant to businesses that may not traditionally regard themselves as directly exposed to Iran sanctions. Businesses operating in, or providing services to, the digital assets, technology, gold, aviation and shipping sectors should assess whether their Iran-related screening and compliance controls adequately address the expanded sanctions risk.

Businesses with actual or potential Iran exposure should therefore consider reviewing:

- counterparties, intermediaries and their beneficial owners and/ or persons in control;
- product origin, end use and classification;
- payment channels and trade routes;
- vessels, vessel ownership, management and shipping history;
- customs brokers, logistics providers and other service providers; and
- the involvement of U.S.-origin goods, software or technology and any associated export-control requirements.

Economic Laws Practice (ELP) advises clients on sanctions and export-control regimes across multiple jurisdictions, including the assessment of transaction, counterparty and supply-chain risks. Through its international network of foreign counsel and consultants, ELP also supports clients on cross-border sanctions and regulatory matters.

For further information or assistance in assessing the implications of these measures, please contact us at insights@elp-in.com or any of the authors listed below:

Sanjay Notani, Partner – *SanjayNotani@elp-in.com*

Ambarish Sathianathan, Partner – *AmbarishSathianathan@elp-in.com*

Harika Bakaraju, Associate Partner – *HarikaBakaraju@elp-in.com*

Kshitij Sehrawat, Associate – *KshitijSehrawat@elp-in.com*