IABA RESOURCE:

CHANGES TO U.S. IRAN SANCTIONS

SEPTEMBER 10, 2026

INTRODUCTION

On August 24, 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) suspended several longstanding authorizations under U.S. sanctions regulations on Iran as part of a new economic initiative called “Operation Economic Outcast.” The changes affect activities ranging from personal remittances and educational services to conferences and athletic exchanges, with significant consequences for Iranians, Iranian Americans, and U.S. institutions and organizations.

This resource explains what changed, what the new restrictions may mean in practice, and what individuals and organizations should know going forward.[1]

[1] On September 8, 2026, OFAC announced additional suspensions concerning aviation and related activities. See U.S. Dep’t of the Treasury, Office of Foreign Assets Control, Recent Actions (Sept. 8, 2026), https://ofac.treasury.gov/recent-actions/20260908. Those subsequent suspensions are outside the scope of this resource, which addresses only the suspensions announced on August 24, 2026.

KEY TAKEAWAYS

- Five longstanding authorizations covering personal remittances, education, academic exchange, conferences, and sports exchanges were suspended indefinitely effective August 24, 2026.[2]
- Activities that previously relied on these authorizations can no longer proceed on that basis and may be prohibited unless another exemption, general license, or other authorization applies.
- OFAC's limited wind-down authorization expired at 12:01 a.m. EDT on September 8, 2026.
- The changes do not prohibit all financial transfers, educational activities, communications, or interactions involving Iran.
- Individuals who experience a rejected transaction or denial of services should preserve documentation and determine whether the denial is required by U.S. sanctions law or reflects the institution's own compliance policy.

2 Iranian Transactions and Sanctions Regulations, 91 Fed. Reg. 54,957, 54,957–58 (Aug. 26, 2026),

THE AUGUST 24 ACTION

Suspension of Five Iran-Related Authorizations

On August 24, 2026, OFAC indefinitely suspended five authorizations under the Iranian Transactions and Sanctions Regulations (ITSR). The suspended authorizations had permitted certain activities that otherwise could be prohibited under U.S. sanctions regulations. The five are:

- **General License G**, covering certain academic exchanges and educational services;
- **General License F**, covering certain professional and amateur sports activities and exchanges involving the United States and Iran;
- **31 C.F.R. § 560.544**, covering certain educational activities by U.S. persons in third countries;
- **31 C.F.R. § 560.550**, covering certain noncommercial personal remittances to and from Iran; and
- **31 C.F.R. § 560.554**, covering certain services related to conferences and similar events in the United States and third countries.

The suspensions took effect immediately on August 24 and remain in effect indefinitely. OFAC stated that the action was taken to align the authorizations with changes in U.S. foreign policy toward Iran.

Separately, OFAC also expanded sanctions under Executive Order 13902 on August 24 to cover persons determined to operate in the aviation, digital asset, gold, shipping, and technology sectors of the Iranian economy. That action primarily concerns sector-based sanctions and is distinct from the suspension of the five authorizations that are the focus of this resource.[3]

What Does It Mean to "Suspend" an Authorization?

U.S. sanctions regulations broadly restrict certain transactions and services involving Iran.[4] General licenses and regulatory

[3] U.S. Dep't of the Treasury, Office of Foreign Assets Control, Determination Pursuant to Section 1(a)(i) of Executive Order 13902 (Aug. 24, 2026), Federal Register publication

[4] 31 C.F.R. § 560.204 (2026)

and regulatory authorizations permit specified activities to occur without requiring a person to first obtain an individual, or "specific," license from OFAC.

The August 24 action did not create a new sanctions framework. Instead, OFAC removed five existing authorizations on which individuals, banks, universities, nonprofits, professional organizations, and others may have relied. An activity that was permitted under one of these authorizations before August 24 may therefore no longer be permitted on that basis.

This does **not** mean that every personal transfer, educational activity, conference, communication, or other interaction involving Iran is prohibited. Other statutory exemptions, general licenses, and OFAC authorizations remain in effect. Whether a particular activity remains permissible depends on the specific circumstances and whether another exemption or authorization applies.

Expired Wind-Down Period

To allow previously authorized activities to be concluded, OFAC issued General License BB, which provided a limited wind-down period through September 8, 2026. Through 12:01 a.m. EDT on September 8, 2026, General License BB authorized transactions that were “ordinarily incident and necessary” to winding down previously authorized transactions. That wind-down period has now expired. Transactions can no longer rely on General License BB and must instead fall within another applicable exemption or authorization, or require a specific license from OFAC.

PERSONAL REMITTANCES AND FAMILY SUPPORT

The August 24 action suspended 31 C.F.R. § 560.550, which had authorized certain noncommercial personal remittances to and from Iran. The authorization permitted certain noncommercial transfers to or from Iran, including qualifying personal transfers made for or on behalf of individuals ordinarily resident in Iran, subject to specified conditions.[5]

For many Iranian Americans, this authorization provided an important legal basis for ordinary financial support sent to relatives in Iran. Its suspension may therefore affect individuals seeking to send money to parents, grandparents, siblings, or other family members, as well as individuals seeking to receive qualifying personal funds from Iran.

[5] 31 C.F.R. § 560.550 (2026) (suspended Aug. 24, 2026).

Even before its suspension, Section 560.550 did not cover every transfer. For example, the regulation excluded transfers for the operation or support of a business, including a family-owned business, and imposed restrictions on how qualifying transfers could be processed.

The suspension also does not mean that every transfer of funds to or from Iran is now prohibited. Other authorizations may apply to particular transactions, including certain humanitarian activities, and OFAC may issue specific licenses where appropriate. Individuals should determine the legal basis for a transfer before proceeding.

CERTAIN PROPERTY SALES

Certain transactions involving the sale of property in Iran remain expressly authorized under the ITSR. In particular, 31 C.F.R. § 560.543 authorizes U.S. persons, under specified circumstances, to sell qualifying real or personal property located in Iran and transfer the resulting proceeds to the United States. This authorization is significant because U.S. sanctions do not categorically prohibit a U.S. person from selling or otherwise disposing of qualifying property in Iran, or from receiving the proceeds of an authorized sale.

Among the circumstances covered by the regulation, the authorization may apply where an individual who is a U.S. person acquired the property before becoming a U.S. person, or acquired the property by inheritance from persons in Iran. Where the requirements of Section 560.543 are satisfied, the authorization also extends to transactions ordinarily incident and necessary to the authorized sale and transfer of proceeds, subject to the regulation's specific terms, limitations, and conditions.

Accordingly, the mere fact that property is located in Iran, or that funds derive from the authorized sale of such property, does not by itself render the transaction prohibited under U.S. sanctions. Rather, the relevant inquiry is whether the property, the manner in which it was acquired, and the proposed sale and transfer of proceeds fall within the scope of Section 560.543, and whether all other applicable OFAC restrictions are satisfied. Those restrictions may include, among others, prohibitions involving blocked persons, prohibited counterparties, or transactions that exceed or otherwise fall outside the scope of the authorization.

EDUCATION, STUDENTS, AND ACADEMIC EXCHANGE

The August 24 action suspended General License G and 31 C.F.R. § 560.544, both of which had authorized educational activities involving Iranian students, academics, and institutions.[6]

General License G was particularly important for students. Among other things, it expressly authorized certain U.S. academic institutions and other U.S. persons to provide services involving:

- processing applications and accepting application fees and tuition from Iranian students;
- academic exchanges and certain scholarships;
- specified online courses;
- certain professional certificate and university entrance

6 U.S. Dep't of the Treasury, Office of Foreign Assets Control, Iran General License G, Authorizing Certain Academic Exchanges and the Exportation or Reexportation of Certain Educational Services (Feb. 5, 2014) (suspended Aug. 24, 2026), General License G.

examinations, including standardized tests; and
- services necessary or required for admission to U.S. academic institutions.

The suspension may therefore have immediate consequences for Iranian students seeking admission to U.S. universities. In particular, U.S. testing providers that previously relied on General License G to administer standardized or admissions examinations to individuals in Iran can no longer rely on that authorization. As a result, students in Iran could encounter difficulties accessing standardized tests or other services required to complete applications to U.S. universities.

Section 560.544 separately authorized U.S. undergraduate institutions operating certain educational or exchange programs in third countries to recruit, enroll, educate, and provide scholarships to students ordinarily resident in Iran, enter exchange agreements with Iranian universities, and involve Iranian scholars and others in certain educational events. That authorization has also been suspended. [7]

[7] 31 C.F.R. § 560.544 (2026) (suspended Aug. 24, 2026),

The suspension of General License G does not impose a categorical prohibition on Iranian students studying in the United States or participating in the U.S. educational system. General License G was one component of a broader sanctions framework governing educational activities involving Iranian nationals, and its suspension does not, standing alone, eliminate other authorizations available under the ITSR. Other regulatory authorizations remain in effect and may continue to permit educational activities and related transactions depending on the particular circumstances. For example, Section 560.505 authorizes persons otherwise eligible for F student status to carry out in the United States the activities for which their visa, status, or related benefit has been granted, subject to the terms and limitations of the regulation.

These changes do not amount to a blanket prohibition on education, academic communication, or the exchange of information. Other exemptions and OFAC authorizations may continue to apply depending on the particular activity.

CONFERENCES AND PROFESSIONAL EXCHANGE

The August 24 action also suspended 31 C.F.R. § 560.554, which had authorized certain services related to participation by persons ordinarily resident in Iran in public conferences, performances, exhibitions, and similar events in the United States, as well as certain U.S.-sponsored public conferences in third countries.

The suspension may affect universities, professional associations, nonprofits, and other U.S. organizations seeking to host or engage with Iranian academics, lawyers, researchers, civil society representatives, and other professionals. For example, an American organization may no longer rely on Section 560.554 when providing services related to an Iranian professional's participation in a U.S. conference. The suspension does not generally prohibit communication or professional exchange. Other exemptions and authorizations may apply depending on the activity, including protections concerning informational materials.

SPORTS AND ATHLETIC EXCHANGE

General License F had authorized certain services supporting professional and amateur sporting activities and exchanges involving the United States and Iran. The authorization expressly extended to activities such as exhibition matches and events, player sponsorship, coaching, refereeing, and training.[8]

With General License F suspended, U.S. athletes, sports organizations, coaches, event organizers, and others can no longer rely on that license for covered activities involving Iran. Whether a particular athletic activity may proceed will depend on whether another exemption or authorization applies.

[8] U.S. Dep't of the Treasury, Office of Foreign Assets Control, Iran General License F, Authorizing Certain Services in Support of Professional and Amateur Sports Activities and Exchanges Involving the United States and Iran (Sept. 10, 2013) (suspended Aug. 24, 2026), General License F

WHAT THE CHANGES DO AND DO NOT PROHIBIT

The August 24 action suspended five specific authorizations. It did not eliminate all exceptions and licenses under the Iran sanctions regulations. Other OFAC authorizations remain in effect.

For example, OFAC continues to maintain authorizations addressing certain humanitarian activities, telecommunications and internet-based communications, publishing, and other specified activities. Statutory exemptions may also apply independently of OFAC licensing requirements.

This distinction matters in practice. If a bank, university, testing provider, technology company, or other institution refuses a transaction or service involving Iran, the refusal does not necessarily establish that federal law prohibits the activity. Banks, universities, testing providers, and other private institutions may also adopt compliance policies that are more

restrictive than OFAC regulations require.

Accordingly, the key question is not simply whether an activity "involves Iran," but whether the activity is prohibited under the ITSR, and if so, whether another statutory exemption, general license, specific license, or other authorization permits it.

WHAT TO DO IF YOU ARE AFFECTED

If you believe the August 24 changes have affected you:

- Ask for the reason in writing. If a bank, university, testing provider, or other institution denies a transaction or service because of U.S. sanctions, ask the institution to identify the basis for the denial.
- Preserve documentation. Keep correspondence, cancellation notices, transaction records, application materials, deadlines, and other records showing what occurred.
- Determine whether another authorization applies. The suspension of these five authorizations does not mean that every Iran-related activity is prohibited. Determine whether another exemption, general license, or other authorization may apply.
- Consider seeking legal guidance. Sanctions law is highly fact-specific. Individuals and organizations may wish to consult counsel experienced in U.S. sanctions law where significant financial, educational, or professional interests are affected.

- Contact OFAC where appropriate. OFAC provides channels for sanctions-related compliance questions and maintains a process for seeking specific licenses for transactions that would otherwise be prohibited.[9]

IABA is monitoring the implementation of the August 24 changes and their effects on the Iranian-American community. IABA will also evaluate opportunities to advocate for appropriate guidance or relief where the changes create unintended or disproportionate consequences.

Individuals who experience a denial or disruption that appears related to these changes are encouraged to preserve relevant documentation and report their experience to IABA at info@iaba.us.

[9] U.S. Dep't of the Treasury, Office of Foreign Assets Control, Iran Sanctions (last visited Aug. 30, 2026), OFAC Iran Sanctions.

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