

# EU Allied with Trump Regime Sanctions on Iran. Failure of the INSTEX (EU-Iran) Trade Exchange Mechanism

By [Stephen Lendman](#)

Global Research, July 04, 2019

Region: [Europe](#), [Middle East & North Africa](#),  
[USA](#)

Theme: [US NATO War Agenda](#)

In-depth Report: [IRAN: THE NEXT WAR?](#)

*Britain, France, Germany, and the EU breached their JCPOA nuclear deal obligations.*

*They failed to challenge Trump's illegal pullout, supporting his regime's unlawful sanctions instead of refusing to observe them, how Russia and China reacted, fulfilling their JCPOA obligations, supporting Iran's fundamental rights.*

Europe's refusal to observe its JCPOA obligations may doom the deal. An international agreement requires its signatories to stand by their commitments.

Britain, France, Germany, and the EU effectively abandoned the JCPOA by only pretending to want it preserved after the Trump regime pulled out. Their actions tell a different story — breaching the international agreement they vowed to observe.

They promised to maintain normal political, economic, financial, and trade relations with Iran but haven't done it.

Its promises turned out to be hollow, showing they're as untrustworthy as the US.

Last summer, a joint statement by EU foreign policy chief Federica Mogherini, together with UK, French and German foreign ministers, said "effective financial channels" with Iran remain open despite US reimposition of sanctions, adding:

"This is why the European Union's updated (1996) Blocking Statute will enter into force on 7 August to protect EU companies doing legitimate business with Iran from the impact of US extra-territorial sanctions."

"The remaining parties to the JCPOA have committed to work on, inter alia, the preservation and maintenance of effective financial channels with Iran, and the continuation of Iran's export of oil and gas."

The updated EU Blocking Statute is supposed to prohibit European businesses from complying with US sanctions on Iran, letting them recover damages from Trump regime imposed penalties if imposed.

A separate European Commission statement said "(w)e are determined to protect European economic operators engaged in legitimate business with Iran, in accordance with EU law and

with UN Security Council Resolution 2231” – unanimously affirming the JCPOA.

All of the above was rhetorical posturing, implementation to maintain normal relations with Iran not forthcoming, nor is it likely ahead based on the EU’s record of the past near-14 month period.

The European Investment Bank (EIB) was supposed to finance investments of EU nations in Iran, the arrangement approved last July.

It never happened because the EIB refused to circumvent Trump regime sanctions, another promise made, another broken one, Brussels doing nothing to insure compliance to terms it agreed on.

Nor was pledged EU cooperation with Iran’s energy and related sectors, along with its small and medium-sized enterprises, (SMEs) fulfilled.

European banks failed to continue normal financial transactions with Iran’s Central Bank (CBI), even on US non-sanctioned goods.

The so-called EU Special Purpose Vehicle (SPV) barter system to circumvent Trump regime sanctions didn’t work because no bloc nation agreed to host it.

The EU Instrument for Supporting Trade Exchanges (INSTEX), a financial transactions mechanism to conduct normal trade with Iran, became operational late last month but fell woefully short of its intended purpose.

What was supposed to be an oil for goods mechanism is only for what the Trump regime hasn’t sanctioned, failing to cover the export of Iranian energy resources and related products.

Even facilitating food, medicines, and medical equipment transactions isn’t working as pledged.

Iranian officials consider INSTEX accomplishing less than the scandalous oil for food program for Iraq from 1995 through Bush/Cheney’s 2003 aggression.

UN heads of the operation Denis Halliday and Hans von Sponeck resigned their posts. In a joint November 2001 London Guardian op-ed, they denounced sanctions on Iraq, “punish(ing) (its) people for something they did not do.”

“Does the UN security council only serve the powerful,” they asked? Embargoing Iraq “breach(ed) the UN covenants on human rights, the Geneva and Hague conventions and other international laws.”

Separately, Halliday said he was “driven to resignation because I refused to continue to take Security Council orders, the same Security Council that had imposed and sustained genocidal sanctions on the innocent of Iraq. I did not want to be complicit. I wanted to be free to speak out publicly about this crime.”

UN-approved sanctions war on Iraq was responsible for about 1.5 million deaths, on average about 7,000 monthly, including 5,000 children under age-five.

If a similar world community-supported sanctions war on Iran continues longterm, something similar could happen, its severity depending on how long it lasts.

The JCPOA is supposed to assure normal Iranian trade and international financial transactions. Breach of its provisions by EU countries prevents normalized relations between Iran and Europe.

No evidence suggests European countries will change policies toward Iran, siding with unlawful Trump regime actions instead of fulfilling their JCPOA obligations, while pretending otherwise.

\*

*Note to readers: please click the share buttons below. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.*

*Award-winning author Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). He is a Research Associate of the Centre for Research on Globalization (CRG)*

*His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III."*

*<http://www.claritypress.com/LendmanIII.html>*

*Visit his blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com).*

The original source of this article is Global Research  
Copyright © [Stephen Lendman](#), Global Research, 2019

---

**[Comment on Global Research Articles on our Facebook page](#)**

**[Become a Member of Global Research](#)**

Articles by: [Stephen Lendman](#)

#### About the author:

Stephen Lendman lives in Chicago. He can be reached at [lendmanstephen@sbcglobal.net](mailto:lendmanstephen@sbcglobal.net). His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III."

<http://www.claritypress.com/LendmanIII.html> Visit his blog site at [sjlendman.blogspot.com](http://sjlendman.blogspot.com). Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)