
June 25, 2026

OFAC Temporarily Authorizes Certain Iranian Oil Transactions

Note: On July 7, 2026, OFAC announced the revocation of Iran-related General License X and the issuance of Iran-related General License X1 (GL X1). *See Off. Of Foreign Assets Control, U.S. Dep't of the Treasury, General License X1, Revocation and Wind Down of June 21, 2026 Authorization for the Production, Delivery and Sale of Crude Oil, Petrochemical Products, and Petroleum Products of Iranian Origin (July 7, 2026), available [here](#).* GL X1 revokes and supersedes General License X in its entirety. GL X1 authorizes only transactions ordinarily incident and necessary to wind down transactions that were previously authorized by General License X through 12:01 a.m. EDT on July 17, 2026, provided that any payment to a blocked person is made into a blocked, interest-bearing account located in the United States.

On June 22, 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued Iran General License X ("GL X" or the "License"), temporarily authorizing the production, delivery and sale of Iranian oil.¹ The License establishes a short-term authorization permitting transactions ordinarily incident and necessary to the production, sale, delivery or offloading of Iranian-origin crude oil, petrochemical products, or petroleum products, including transactions involving vessels blocked under the sanctions authorities listed in the license.² It remains in effect for 60 days, ending on August 21, 2026 at 12:01 a.m.³ Companies interested in taking advantage of the time-limited commercial opportunity the License provides should take care to review its narrow terms to ensure compliance therewith.

GL X is the latest in a series of energy-related general licenses that OFAC has issued authorizing transactions of crude oil and petroleum products originating from Venezuela, Russia and Iran.⁴ It follows the expiration of General License U, which temporarily authorized Iranian oil-related transactions, notably permitting import of Iranian oil into the United States for the first time in decades.⁵ GL X is issued under a broad set of Iran-, Russia-, non-proliferation-, and anti-terrorism-related sanctions regulations and executive orders.⁶

GL X temporarily reinstates those measures and provides a broader authorization for transactions related to petrochemical products, extending and expanding this period of Iran energy engagement through a more comprehensive temporary authorization of Iranian oil sales. Significantly, the GL makes clear the "payments of funds to Iran, the Government of Iran, or any blocked person for the purchase of crude oil, petrochemical products, or petroleum products of Iranian origin authorized by [this GL] may be made in U.S. dollar-denominated funds."

¹ Off. Of Foreign Assets Control, U.S. Dep't of the Treasury, General License X, *Authorizing the Production, Delivery and Sale of Crude Oil, Petrochemical Products, and Petroleum Products of Iranian-Origin through August 21, 2026* (June 22, 2026), available [here](#).

² *Id.*

³ *Id.*

⁴ *See* Paul, Weiss, Rifkind, Wharton and Garrison, LLP, "OFAC Issues Coordinated Energy-Related General Licenses for Venezuela, Russia and Iran (KEY UPDATES)" (April 21, 2026), available [here](#).

⁵ *Id.*

⁶ These include the Iranian Transactions and Sanctions Regulations, the Russian Harmful Foreign Activities Sanctions Regulations, the Ukraine-/Russia-Related Sanctions Regulations, the Weapons of Mass Destruction Proliferators Sanctions Regulations, the Iranian Financial Sanctions Regulations, the Iranian Sector and Human Rights Abuses Sanctions Regulations and the Global Terrorism Sanctions Regulations, as well as several Iran-related executive orders.

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The GL also authorizes transactions “ordinarily incident and necessary to production, sale, delivery, or offloading” of the Iranian-oil crude oil, petrochemical and petroleum products, including safe docking and anchoring of vessels carrying such products, crew health and safety, emergency repairs, environmental mitigation, or protection activities, and vessel services such as management, crewing, bunkering, piloting, registration, flagging, insurance, classification and salvage.

Secretary Bessent explained in recent posts on X that the issuance of this general license is “in line with ongoing productive talks in Switzerland,” during which Iran committed to “free and open transit in the Strait of Hormuz.”⁷ Mediators from Qatar and Pakistan also indicate that GL X is a step on the “roadmap,” in which both the U.S. and Iran have agreed to reach a longer-term agreement within the 60-day period.⁸

For companies considering taking advantage of this license, GL X signals a commercial opportunity but also a continued need for disciplined sanctions compliance around any possible GL use. For one, the License is specific and time-limited: payments may be made in U.S. dollar-denominated funds, and importation into the United States may be permitted. But the GL does not authorize transactions involving, directly or indirectly, persons in or organized under the laws of North Korea, Cuba, the Covered Regions of Ukraine or Crimea, or entities owned or controlled by or in a joint venture with such persons.⁹ Last, GL X does not translate into a safe harbor under EU or UK Iran-related sanctions prohibitions. Thus, companies seeking to take advantage of the license should review compliance with those legal regimes, as relevant.

Accordingly, companies relying on the license should confirm that each contemplated transaction falls squarely within the bounds of the GL, which also may require enhanced counterparty, vessel and service provider diligence.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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⁷ Treasury Secretary Scott Bessent (@SecScottBessent), X (June 22, 2026), available [here](#).

⁸ Ministry of Foreign Affairs - Qatar (@MofaQatar_EN), X (June 22, 2026), available [here](#).

⁹ Off. of Foreign Assets Control, U.S. Dep’t of the Treasury, General License X, *Authorizing the Production, Delivery and Sale of Crude Oil, Petrochemical Products, and Petroleum Products of Iranian-Origin through August 21, 2026* (June 22, 2026), available [here](#).