

BREAKING NEWS: IRAN INSTITUTES ICJ PROCEEDINGS AGAINST THE UNITED STATES

Introduction

On 15 June 2016, the International Court of Justice (“ICJ”) announced that Iran had instituted proceedings against the United States with regard to a dispute concerning frozen Iranian funds and alleged violations of the 1955 Treaty of Amity.

Background

The Treaty of Amity, Economic Relations, and Consular Rights between Iran and the United States of America (“the 1955 Treaty”) was signed at Tehran on 15 August 1955, and entered into force on 16 June 1957. The 1955 Treaty has previously been invoked in disputes between Iran and the United States, most notably the Oil Platforms case (for which see *Oil Platforms (Islamic Republic of Iran v United States of America)*, Judgment, ICJ Reports 2003, p 161).

Present proceedings

In its application, Iran submits that the United States, having for many years taken “the position that Iran may be designated a State sponsoring terrorism (a designation which Iran strongly contests)”, has adopted a number of legislative and executive acts that have the practical effect of subjecting the assets and interests of Iran and Iranian entities, including those of the Central Bank of Iran, to enforcement in the US in violation of Iran’s sovereign immunity and other principles of international law.

In recent years, the US courts have awarded over US\$56 billion in damages against Iran over Iran’s alleged involvement in terrorist activities. Iran alleges that in awarding such damages, the US courts “have repeatedly dismissed attempts by Bank Markazi [the Central Bank of Iran] to rely on the immunities to which such property is entitled” under United States law and the 1955 Treaty.

Iran submits the present dispute to the ICJ on the basis of Article XXI, paragraph 2, of the 1955 Treaty which provides that “Any dispute between the High Contracting Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy, shall be submitted to the International Court of Justice, unless the High Contracting Parties agree to settlement by some other pacific means”.

Observations

The filing of the present proceedings by Iran follows a period in which relations between the two countries appeared to have thawed. It remains to be seen whether the ICJ will accept

jurisdiction over the present dispute, especially as the United States only accepts the jurisdiction of the ICJ on a case-by-case basis (having failed to automatically recognise its jurisdiction since 1986).

We will provide further updates on these proceedings once more information has been released.

A full copy of the ICJ press release and Iran's application can be found **[here](#)**.

30th June 2016