

GEOPOLITICAL RISK OBSERVATORY

Iran - United States Memorandum of Understanding: key provisions and vulnerabilities

An overview

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GRO Hot Takes are concise interpretive notes on timely geopolitical issues and emerging risk signals. They are neither exhaustive analyses nor real-time news updates. Rather, they provide a focused reading of selected developments, highlighting key factors, variables and weak signals that organizations may monitor to better anticipate risks and understand their potential business implications. For in-depth analysis, tailored briefings or day-to-day monitoring, please contact the Geopolitical Risk Observatory at strategicchange@luiss.it.

Nearly four months after the launch of Operation Epic Fury, Washington and Tehran signed a Memorandum of Understanding (MoU) on 17 June 2026, formally mediated by Islamabad. The document does not constitute either a final agreement or a revival of the 2015 Joint Comprehensive Plan of Action (JCPOA). Rather, it represents a procedural framework agreement designed to formalize a ceasefire and establish the parameters for negotiations on a broader and more comprehensive settlement.

1. Key provisions of the MoU

The MoU includes the following key provisions:

- An immediate and permanent cessation of hostilities across all fronts, including Lebanon, accompanied by a mutual commitment to refrain from the use or threat of force.
- The launch of negotiations aimed at reaching a final agreement within a maximum of 60 days, extendable only with the consent of both parties.
- The lifting of the US naval blockade and the Iranian restoration of maritime traffic through the Strait of Hormuz to pre-war levels within 30 days.
- An Iranian commitment not to produce nuclear weapons and to freeze its nuclear program in its current state until the conclusion of a final agreement. The most sensitive issues, including the future of enriched uranium stockpiles and enrichment activities, have been deferred to the final agreement.

- A US commitment not to introduce new sanctions and not to strengthen its military presence in the region during the negotiation phase.
- The immediate granting of waivers to restrictions on Iranian energy exports and the gradual release of frozen Iranian assets, linked to progress towards a final agreement.
- The broader lifting of the sanctions regime imposed on Iran is deferred to the final agreement, which will determine the timing and modalities of its implementation.
- The preparation, within 60 days of a reconstruction and economic development plan for Iran supported by a minimum funding commitment of USD 300 billion.
- The approval of the final agreement through a binding UN Security Council resolution.

2. Strategic implications and emerging dynamics

2.1 Immediate economic relief measures

The MoU introduces economic relief measures from the moment of its signature, rather than deferring them until the conclusion of a final agreement. In addition to immediate waivers for Iranian oil and petrochemical exports, the text provides for the gradual release of Iranian assets frozen abroad, linked to progress in the negotiations. This represents a significant shift from previous expectations and provides Tehran with an initial degree of financial relief during the negotiation phase.

2.2 China's role

During the acute phase of the conflict, China was among the most exposed actors, owing both to its energy relationship with Iran and to the risk of disruption to flows through the Strait of Hormuz. Beijing nonetheless demonstrated an ability to absorb the impact thanks to its reserves and diversified energy mix. In the negotiating process, it assumed a central brokering role, operating through Pakistan, China's principal regional partner and the formal mediator of the agreement.

2.3 Toward a new regional equilibrium

The MoU signals the United States' choice, at least in the current phase, to prioritize a model of negotiated coexistence with Iran over an approach based on strategic neutralization. Washington has moved closer to the de-escalation-oriented approach advocated by Saudi Arabia and Pakistan, departing from the more assertive positions held by Israel and the United Arab Emirates.

The emerging regional model rests on two interconnected pillars:

- US-Iran balance: a US-Iran truce underpinned by mutual deterrence.
- Regional balance: the model relies on the coexistence of Saudi Arabia and Iran as the two main Sunni and Shia poles within a regional balance of power.

This framework marks a scaling-back of the Abraham Accords paradigm, based on recognition of Israel and hard containment of Iran. Israel’s excessive use of force has further widened the gap with several Gulf countries.

2.4 Progressive US disengagement

- **Strategic repositioning.** The agreement enables the United States to reduce the strategic weight of the Middle East theatre and allocate greater resources to other priorities, first and foremost competition with China. This disengagement is also facilitated by US energy independence, achieved through the shale revolution.
- **Strategic trade-off.** Washington is essentially accepting a compromise: it is giving up the pursuit of maximalist objectives vis-à-vis Iran in exchange for greater global room for maneuver and partial disengagement from the Gulf.

3. Agreement vulnerabilities

The agreement presents several vulnerabilities that may compromise its stability.

- *Nuclear dossier;* The terms of the compromise between nuclear containment and sanctions relief remain undefined. Crucial issues, including the future of Iran’s enriched uranium stockpiles, the scope of future enrichment activities and international monitoring mechanisms, have been deferred to the final agreement. The durability of reciprocal deterrence appears contingent on the persistence of mutual interest between the parties, the medium-term sustainability of which is not guaranteed.
- *Strait of Hormuz;* Iranian sources have suggested that the agreement may provide for the introduction of a transit fee benefiting Iran and Oman. The hypothesis has not been confirmed by Washington (historically opposed) and is potentially problematic for the other Gulf monarchies.
- *Israel;* Tel Aviv considers the agreement insufficient compared to its objectives and retains the ability to obstruct its implementation, both through political pressure on Washington and military operations, particularly on the Lebanese front. The likelihood of Israel abandoning its offensive posture appears limited, at least until the October elections.
- *Lebanon and Hezbollah;* Although Lebanon formally falls within the scope of the agreement, Israel has already ruled out considering itself bound on this dossier. In addition, Hezbollah retains autonomous operational capabilities and could act, at least in part, independently of guidance from Tehran.

- *Pasdaran (IRGC)*; The more radical factions of the Pasdaran remain hostile to the agreement and retain margins of operational autonomy. The ability of the Iranian authorities to prevent unauthorized initiatives represents a further risk factor.
- *Iranian missile program and proxy network*; The MoU contains no provisions regarding Iran's missile program or its relations with affiliated armed groups. The omission of these dossiers leaves two of the conflict's original strategic objectives unresolved.
- *United Arab Emirates*; The UAE emerges as the principal strategic loser: it bore the costs of the most acute phase of the confrontation without achieving commensurate political or strategic gains. That said, Abu Dhabi remains largely a passive recipient of the current outcome and has limited room to influence its trajectory.

4. Conclusions and monitoring points

The MoU reduces the risk of escalation in the short term and opens a negotiating phase aimed at defining a broader agreement. The principal strategic dossiers nonetheless remain unresolved, and the stability of the framework will continue to depend on the durability of reciprocal deterrence and on the parties' ability to sustain incentives for cooperation.

In the coming months, it will be necessary to monitor:

- the effective implementation of commitments regarding the Strait of Hormuz and the possible introduction of a transit fee regime;
- the negotiation on the nuclear dossier and the durability of the mechanism balancing sanctions relief against the containment of Iranian capabilities;
- any initiatives by Israel, by radical factions within the Pasdaran, or by proxy networks capable of undermining the truce.

At the current stage, the agreement does not constitute a fully-fledged peace accord, but a preliminary convergence whose outcome will depend on the parties' ability to manage the residual factors of instability.

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