

China Market Risk Assessment

Premium Iranian Saffron Threads · HS 091020 · Iran → China

A decision-focused assessment of the country, payment, sanctions and regulatory risks that could derail a China export programme - and the controls required before Khorasan Saffron Export Co. commits meaningful exposure.

**PREPARED FOR**

**Khorasan Saffron Export
Co.**

Fictitious sample client · Iran

PRODUCT

Premium saffron threads

HS 091020 · Grade 1

TARGET MARKET

China

ASSESSMENT DATE

17 August 2026

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From executive decision to supporting risk signals and a controlled market-entry plan

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Before the Client Brief and Executive Summary, the next page explains exactly what R6 is for, what commercial value it is designed to create, the six risk dimensions it examines, and how those dimensions are combined into an executive decision.

Purpose, Benefit & Scope

What this £350 assessment is designed to do — and how its evidence becomes a decision

R6 is not a collection of country facts. It is a decision tool for an exporter that needs to know whether a market can be pursued without walking into a legal, payment, sanctions, regulatory or country-risk trap that could cost far more than the price of the report.

Purpose

The purpose of R6 is to stress-test the environment around a proposed export programme before the client commits goods, credit, working capital, exclusivity or significant management time. It identifies the risks that could prevent the transaction from being lawful, payable, insurable, administratively workable or commercially sensible — and separates risks that can be controlled from risks that require the client to wait, change the transaction structure or walk away.

Benefit — why this work is worth paying for

The information needed to make this decision does not sit in one place. A client would have to find and interpret current government rules, sanctions regimes, banking constraints, FATF statements, macroeconomic evidence, import-registration requirements, trade-policy measures and product-specific trade data — and then reconcile sources that may be incomplete, contradictory or changing quickly.

The value of the report is therefore not simply finding information; it is knowing which evidence matters, testing it against the client's actual transaction, identifying hidden traps, and turning it into a clear decision. A £350 assessment can be repaid many times over if it prevents one blocked payment, one non-compliant shipment, one unusable market-entry commitment or one large unsecured exposure. The report is designed to make those costly mistakes visible before the client pays for them in the real world.

Scope — the six dimensions behind the decision

R6 scores six dimensions. Each answers a different question about whether the proposed market and transaction corridor are safe enough to pursue. The weighted scores are then pulled together in the Executive Summary and Market Verdict so the client sees not only the headline RED / AMBER / GREEN result, but the reasons behind it and the actions required to change it.

01 Political Stability & Governance

Could political or governance conditions disrupt the market, counterparties or policy environment?

02 Economic Stability & Currency

Is the target economy sufficiently stable to support demand, pricing and commercial continuity?

03 Trade Policy & Market Access

Can the product legally move through the origin-to-destination trade corridor, including export and import controls?

04 Payment & Credit Environment

Can the exporter get paid reliably, bank the proceeds and control buyer/settlement exposure?

05 Sanctions & Legal Exposure

Could sanctions, ownership, banking or intermediary links make the transaction prohibited or commercially non-executable?

06 Regulatory Volatility & Compliance

Can the client meet the target market's current product, registration and compliance requirements without unacceptable uncertainty?

Client Brief

Questionnaire summary · what the client told us before research began

This page records the client-supplied starting point used to shape the R6 research. It separates what Khorasan Saffron Export Co. told us from the independently researched evidence and risk conclusions that follow.

Company & product

Khorasan Saffron Export Co.

Premium Iranian saffron threads, Grade 1, uncrushed and unground · HS 091020 · Iran → China.

Scale & positioning

Approximately **8 tonnes/year** export capacity. Premium market position. Target customer: importer/trading company; secondary target: wholesale distributor.

Export readiness

ISO 22000, HACCP and Halal certification, with laboratory testing for purity, moisture and food-safety compliance.

Export experience

Approximately **7 years** exporting saffron to the UAE, Qatar, Oman, India and selected European markets. China is a newer market under consideration.

Client's stated concerns

Iran-related **payment and banking restrictions**; changes in Chinese import requirements; currency and settlement risk; customs delays; and the reliability of unfamiliar buyers.

Risk tolerance

Willing to enter China, but wants **smaller initial orders** and no large unsecured exposure. Needs clarity on workable legitimate payment routes and would reconsider China if settlement becomes too difficult.

Insurance & current research

Some awareness of political/regulatory risk, but only limited research completed. **Credit/export insurance has not yet been considered.**

Decision this report must support

Determine whether China can be pursued without exposing the company to an avoidable legal, payment or regulatory trap - and identify the gates that must be cleared before a binding shipment commitment.

How the questionnaire shaped the analysis

The client's concern about legitimate settlement routes and unsecured exposure made Payment & Credit and Sanctions & Legal Exposure priority research areas. Its willingness to start small also shaped the recommendation to defer commitment until the export-eligibility and payment-route gates are cleared, then use a reversible pilot rather than full market entry.

Source: client questionnaire supplied for this fictitious sample report. Client-supplied facts are not treated as independently verified market evidence.

1. Executive Summary

The decision in one page

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RED

DEFER COMMERCIAL COMMITMENT

China is commercially viable, but Khorasan should not commit a shipment until two gates are cleared: current Iran-side saffron export eligibility and a lawful, screened payment route that can actually settle.

The report scores the corridor at **45.8/100 - RED**. The result is not driven by Iranian nationality alone; it is driven by specific legal-access and payment/sanctions execution risks that could make a first transaction fail.

Market Risk Profile

Risk dimension	Weight	Score	Rating	Weighted
Political Stability & Governance	22%	7/10	MODERATE	1.54
Economic Stability & Currency	20%	7/10	MODERATE	1.40
Trade Policy & Market Access	16%	2/10	HIGH	0.32
Payment & Credit Environment	18%	2/10	HIGH	0.36
Sanctions & Legal Exposure	12%	3/10	HIGH	0.36
Regulatory Volatility & Compliance	12%	5/10	MODERATE	0.60
Composite	100%		RED	45.8/100

Dominant risk

Iran-side export eligibility is the first gate. Payment and sanctions execution become the dominant risk once that gate is cleared.

Can it be managed?

Potentially, but not at shipment stage. Continue due diligence while deferring any binding commitment or unsecured exposure.

Immediate action

Obtain current written confirmation that HS 091020 saffron may be exported, while pre-clearing the buyer, banks and intermediaries.

How to read the score

R6 uses inverted scoring: 8-10 = LOW risk, 5-7 = MODERATE, 1-4 = HIGH. The composite verdict is GREEN 70+, AMBER 50-69, RED below 50.

2. Current Affairs & Risk Intelligence Scan

What has changed recently that could alter the client's decision now?

RED

Iran-side export-control gate. Iran imposed a blanket ban on exports of food and agricultural products in March 2026. The government has subsequently issued product-by-product exemptions, but no authoritative source reviewed for this report confirms that saffron is currently exempt. This is a direct legal market-access gate and must be resolved before any shipment commitment.

RED

Geopolitical escalation around Iran. Reuters reported on 17 August 2026 that Iran threatened renewed military escalation if the interim US-Iran arrangement is not implemented. This is a corridor risk, not evidence of Chinese domestic instability, but it can change bank, insurer and intermediary behaviour quickly.

RED

Sanctions environment remains active and expanding. UK, EU and US regimes continue to impose extensive restrictions on designated Iranian persons, entities and financial channels. EU measures were expanded on 22 May 2026 to cover Iran-related actions undermining freedom of navigation, through Council Decision (CFSP) 2026/1157 and Council Regulation (EU) 2026/1164.

RED

Payment and banking route risk. Iran remains on FATF's high-risk list. Even where the underlying goods transaction is not prohibited, correspondent-bank de-risking, screening and secondary-sanctions concerns can prevent or delay settlement.

AMBER

China macro outlook. The IMF projects 4.5% GDP growth in 2026, but warns of property-sector weakness, high debt, weak private demand and deflationary pressure. These are meaningful but manageable target-market risks.

AMBER

Imported-food regulatory transition. GACC Decree 280 took effect on 1 June 2026, replacing the previous overseas food manufacturer registration framework. Registration remains a prerequisite for relevant overseas producers.

AMBER

Shipping disruption signal. Strait of Hormuz disruption remains material to the broader Iran trade corridor. R6 treats this as a macro access signal only; detailed routing belongs in R5.

3. Political Stability & Governance

FACTOR SCORE

7/10

MODERATE

Weight 22% · Horizon:
Structural / medium-term

Bottom line:

China is politically stable and administratively capable; the main concern is policy intervention and geopolitical spillover, not domestic instability.

China's central government remains highly stable and retains strong administrative capacity. For an exporter, the relevant governance issue is not risk of regime collapse; it is a state-directed system in which policy, trade and regulatory decisions can change the operating environment quickly when strategic priorities shift.

The Iran conflict is treated elsewhere where it directly changes transaction feasibility. This dimension remains focused on **China's governance environment**: very high state continuity and administrative capacity are positives, while state-directed policy intervention, strategic tensions and limited predictability for foreign commercial actors prevent a LOW-risk score.

Evidence that supports the score

- China's government continuity and customs/financial administration remain strong.
- There is no evidence that ordinary Chinese saffron demand is threatened by domestic political breakdown.
- However, the bilateral corridor is exposed to rapidly changing US-Iran confrontation and secondary effects on Chinese firms and banks.

Commercial implication

Political risk should influence **exposure limits and contract flexibility**, not lead the client to abandon China. Avoid long exclusive commitments or fixed annual-volume obligations until the corridor has demonstrated stable settlement over several transactions. The client is a smaller exporter and has less capacity than a large state-linked trader to absorb a sudden change in banking or intermediary access.

Score rationale

The score is held at **7/10** because China combines exceptional state continuity with a strongly state-directed policy environment in which regulatory or geopolitical priorities can alter conditions for foreign businesses. Iran-origin transaction risks are not used to depress this score; they are captured in Trade Policy, Payment and Sanctions where they directly belong.

4. Economic Stability & Currency

FACTOR SCORE

7/10

MODERATE

Weight 20% · Horizon:
Structural

Bottom line:

China's economy remains functional and resilient enough for market activity, although property, debt and weak-demand pressures justify a moderate-risk score.

The IMF's February 2026 Article IV assessment projected China real GDP growth of **4.5% in 2026**; the IMF's later July 2026 update shows approximately **4.6%**. The underlying risk picture is unchanged: property-sector contraction, high debt, weak domestic demand and deflationary pressure remain material, but China is not in a balance-of-payments or currency crisis.

Those conditions do not amount to a balance-of-payments or currency crisis. China retains functioning foreign-exchange administration and substantial policy capacity. For premium saffron, softer consumer demand is worth monitoring, but it is not the dominant risk in this transaction.

Currency boundary

Iranian rial instability matters to the exporter, but the severe problem is **conversion and transfer of sale proceeds**, which is scored primarily in Payment & Credit rather than double-counted here. The China macro/currency dimension therefore remains moderate, not high.

Practical mitigation

- Use short quotation-validity periods.
- Agree the settlement currency and conversion pathway before contract signature.
- Do not accumulate RMB balances unless the exporter has a compliant and usable conversion or commercial-use route.
- Keep China exposure diversified against existing export markets.

5. Trade Policy & Market Access

FACTOR SCORE

2/10

HIGH

Weight 16% · Horizon: Immediate

Bottom line:

China-side access appears workable, but the unresolved Iran-side export restriction is a direct legal gate: do not commit a shipment until saffron eligibility is confirmed.

120

CHINA SHIPMENTS

\$26.3m

TRADE VALUE

~\$219k

AVG SHIPMENT VALUE

20 Jun

LATEST SUPPLIED RECORD

Source: licensed international trade transaction data supplied from Eximpedia for approximately 30 June 2025-30 June 2026. This confirms recent corridor activity but does not prove current legal or payment-channel availability for this exporter.

The supplied licensed international trade transaction data shows that Iran → China saffron trade has operated recently, including records after the March 2026 policy shock. That is commercially significant, but it does **not** establish that saffron is currently exempt from Iran's blanket export ban or that this fictitious exporter is eligible to ship today.

Requires Active Mitigation - Iran-side export ban

Iran implemented a blanket ban on exports of food and agricultural products in March 2026. Multiple product-specific exemptions have since been announced, but this review has not found authoritative confirmation that saffron/HS 091020 is currently exempt. Until that point is confirmed, the exporter cannot assume that a China shipment is legally releasable from Iran.

No blanket Chinese prohibition on Iranian saffron was identified in the research. However, “other exporters have shipped” does not establish that Khorasan Saffron Export Co. is itself eligible. Chinese imported-food controls are establishment- and product-specific.

What must be confirmed before the first order

Issue	Current assessment	Required client action
Iran export eligibility	Is saffron / HS 091020 currently exempt from the March 2026 food/agriculture export ban?	Written confirmation from the competent Iranian trade/customs authority or qualified adviser before order acceptance.
HS classification	091020 is the clean six-digit HS heading for saffron.	Confirm the exact China tariff-line code used by the importer.
Tariff	Secondary tariff sources indicate approximately 2% MFN for Chinese code 0910200000, but this remains unconfirmed against the definitive 2026 Chinese tariff line and should be verified by the importer/customs broker before contracting.	Obtain written landed-cost confirmation from the Chinese import broker.
Overseas producer registration	GACC Decree 280 applies from 1 June 2026 and requires relevant overseas food manufacturers to be registered.	Verify Khorasan's own GACC/CIFER status and exact registration pathway.
Importer/exporter filing	China Customs requires relevant overseas exporters/agents and domestic importers to complete required filing/registration.	Make buyer/importer confirmation a pre-contract condition.
Food safety / inspection	Imported food must meet Chinese food-safety and inspection/quarantine requirements.	Gap-check current lab testing and documentation against China requirements.

Why this dimension scores HIGH risk

China-side access appears workable and the saffron trade lane is commercially established. The score is nevertheless **2/10** because a current Iran-side export restriction creates a direct legal gate to the transaction and saffron's exemption status remains unverified. This is a narrower and more defensible use of the corridor overlay than depressing China's political or economic scores.

Trade-lane concentration

The supplied summary also shows multiple Iranian exporters serving China, including Navid Zafaran Khorasan Razavi, Zafaranchi Toos, Builder Tejarat Toos, New Saffron and Ahmad Badiei. This reduces the likelihood that the corridor is dependent on a single exceptional operator, but it does **not** reveal which banking or compliance channels they use.

6. Payment & Credit Environment

FACTOR SCORE

2/10

HIGH

Weight 18% · Horizon:
Immediate

Bottom line:

This is the dominant execution risk: a valid order has little value unless the money can move through a lawful, screened and operational settlement chain.

Requires Active Mitigation

This is the dominant commercial risk. A valid purchase order is not enough: the exporter must prove that money can travel through a lawful, screened and operational chain before releasing goods.

Iran remains on FATF's **High-Risk Jurisdictions Subject to a Call for Action** list. That status materially increases the likelihood of bank reluctance, enhanced compliance requests, rejected transfers or loss of an established route; FATF does not itself quantify a probability of rejection.

China's banking system is not itself unreliable. The problem is **Iran-linked settlement**. Reuters reported that US Treasury has warned two larger Chinese banks of possible secondary-sanctions exposure if Iranian funds are found moving through their systems. Larger internationally exposed Chinese banks may therefore be especially cautious; smaller or regional institutions may be more willing, but can carry greater designation and continuity risk. No bank should be assumed interchangeable.

What can go wrong on the first order

Failure mode	What it means commercially	Control
Buyer default	Normal commercial credit loss, amplified by weak recovery options.	No open account initially; independent buyer credit check.
Paying bank rejects Iran-linked beneficiary	Buyer is willing to pay but cannot execute the transfer.	Pre-clear paying and receiving institutions before shipment.
Intermediary bank/payment company is blocked or de-risked	Funds may be delayed, rejected or returned.	Screen every intermediary and prohibit unilateral substitutions.
Funds received but difficult to convert/use	Economic value is trapped or eroded.	Confirm conversion/use route before choosing settlement currency.
No accessible credit insurance	The exporter bears buyer and transfer risk itself.	Seek current written indication from any legally accessible insurer/EGFI; do not assume cover.

Recommended first-order payment posture

- **No open-account sales.**
- Prefer full prepayment where commercially possible; otherwise maximise the advance deposit and minimise the balance-at-risk.
- If a documentary instrument is proposed, identify and clear the issuing, advising and any confirming institutions before contract signature.
- Limit the first transaction to an amount the exporter could absorb **in full** without threatening working capital if settlement is delayed or fails. The approximately US\$219,000 average shipment value in the supplied dataset is descriptive market evidence, not an exposure target.
- Do not accept payment via an unverified third-party company simply because it is presented as "the normal Iran route".

7. Sanctions & Legal Exposure

FACTOR SCORE 3/10 HIGH Weight 12% · Horizon: Immediate + structural	Bottom line: The product is not automatically prohibited, but transaction-specific sanctions, ownership, banking and intermediary exposure can still make the deal non-executable.
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Requires Active Mitigation The underlying product does not by itself determine legality. The relevant unit of analysis is the entire transaction: exporter and owners, product, buyer, banks, intermediaries, insurer, logistics providers and payment route.

UN position and Chinese objection The UN Secretariat treats the earlier Iran nuclear-related Security Council sanctions as re-applied following the September 2025 snapback process, and the 1737 sanctions list has been re-established. China, Russia and Iran dispute the legal validity of that snapback. For transaction-risk purposes, that dispute does not remove the need to screen parties, ownership and financing against applicable UN-linked and national implementing measures.
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Four distinctions the client must keep separate

Concept	Meaning in this case
Legal prohibition	No blanket prohibition on ordinary Iranian saffron exports to China was identified. However, that is not a legal opinion and does not make every transaction permissible.
Sanctions screening	All relevant persons/entities and ownership/control relationships must be screened against applicable lists before commitment and again before payment/shipment.
Banking/commercial reluctance	A bank may legally decline the transaction even when the underlying goods trade is not prohibited.
Practical payment difficulty	A clean transaction can still fail if no bank chain is willing or able to settle it.

UK guidance states that the Iran sanctions regime is limited in scope to specified targeted prohibitions and designated persons rather than being a blanket ban on every Iranian commercial transaction. The EU likewise maintains multiple targeted Iran regimes, expanded during 2026. US OFAC guidance contains humanitarian/food exceptions principally for sales **to Iran**; those provisions must not be misread as a general safe-harbour for food exported **from Iran**.

Methodology correction adopted in this report Sanctions are assessed at transaction-corridor level: exporter, ownership, product, buyer, banks, intermediaries, insurer and other relevant counterparties. Nationality alone does not force RED. However, IRGC/designated-person ownership or control can be a binary disqualifier for institutions with applicable US/UK/EU exposure. OFAC humanitarian/food exceptions principally concern sales <i>to Iran</i>; they do not create a general safe harbour for Iranian-origin food exports or access to international banking. Professional verification: This report is commercial intelligence, not sanctions legal advice. A qualified sanctions adviser should confirm the specific transaction before execution.
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Mandatory pre-transaction screen

- Khorasan Saffron Export Co. and beneficial owners/controllers.

- Chinese buyer, directors/owners where appropriate, and buyer's bank.
- Iranian receiving institution, any exchange house/payment company and intermediary bank.
- Insurer, freight/logistics counterparties and any third-country entity used in the chain; ownership/control links to designated entities, including IRGC-linked interests.

8. Regulatory Volatility & Compliance

FACTOR SCORE 5/10 MODERATE Weight 12% · Horizon: Medium-term	Bottom line: China's imported-food regime is workable but recently changed; producer registration and product treatment must be confirmed before commercial shipment.
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China's imported-food regime is rules-based but demanding, and it changed materially in 2026. GACC Decree No. 280 (Regulations on Registration Administration of Overseas Manufacturers of Imported Food) took effect on 1 June 2026. China Customs states that overseas food manufacturers subject to the regime must be registered, and the system can apply different registration routes based on risk and product category.

The client already holds ISO 22000, HACCP and Halal certifications and undertakes laboratory testing. These are useful readiness indicators, but they are not substitutes for Chinese statutory registration, importer filing, inspection/quarantine or national food-safety requirements.

Historical saffron-specific warning - not a current registration rate A March 2022 industry report stated that only 11 of 60 Iranian saffron suppliers then held a China-valid registration code. That statistic is useful evidence that registration has historically been a real product-specific bottleneck, but it is too old to be treated as the 2026 rate. The current status of Khorasan Saffron Export Co. must therefore be verified directly under the post-1 June 2026 GACC regime.

Compliance risk map

Risk	Likelihood	Impact	What to do
Exporter/site not correctly registered	Medium	High	Verify GACC/CIFER status before commercial launch.
Incorrect product/category pathway	Medium	High	Obtain written classification from importer/broker and competent adviser.
Testing standard mismatch	Medium	Medium-High	Gap-check pesticide/residue, contaminants and authenticity testing against current China standards.
Labelling/document mismatch	Medium	Medium	Approve Chinese label and declaration data before production.
Rule change after first successful shipment	Medium	Medium	Revalidate eligibility quarterly and before material volume increases.

Why the score is 5/10 rather than 3-4/10

China's system is demanding but visible and administrable. The risk is not arbitrary enforcement in the abstract; it is failing to keep pace with a recently revised system. With a competent importer, customs broker and correctly registered producer, the compliance burden is manageable.

Boundary with R5

This section deliberately stops at macro regulatory risk. Detailed shipping documents, customs-clearance procedure, freight route, Incoterms and port execution belong in the R5 Market Operations Guide.

9. Risk Mitigation Recommendations

Controls required before a RED-rated corridor can move to a reversible pilot

01 Iran export-control uncertainty

Obtain written confirmation that saffron / HS 091020 is currently permitted or exempt under Iran's food/agriculture export controls before accepting a binding shipment commitment.

OWNER

Export/Compliance

TIMING

Before order acceptance

02 Payment route failure

Obtain written pre-clearance from the proposed paying bank, receiving institution and every intermediary; test the route before releasing a meaningful shipment.

OWNER

Finance / external adviser

TIMING

Before PO acceptance

03 Unsecured buyer exposure

No open account for initial transactions. Maximise prepayment and set a first-order exposure cap below normal market shipment size.

OWNER

Managing Director

TIMING

First 3 shipments

04 Sanctions/list exposure

Screen all counterparties, beneficial owners, banks and intermediaries at onboarding and immediately before shipment/payment.

OWNER

Compliance adviser

TIMING

Every transaction

05 GACC ineligibility

Verify producer registration, exporter filing and product/category treatment in writing through the Chinese importer/broker.

OWNER

Export Manager + buyer

TIMING

Before samples/PO

06 Regulatory change

Quarterly China compliance review plus trigger-based review after any GACC announcement affecting imported spices/plant foods.

OWNER

Export Manager

TIMING

Quarterly

07 Geopolitical escalation

Use short commitments; include sanctions/payment-route and force-majeure termination clauses; pause new exposure if banking or navigation conditions deteriorate.

OWNER

Director + legal adviser

TIMING

Contract stage / ongoing

08 Single-market dependency

Maintain existing Gulf/India/Europe programmes while China is tested; no exclusive China allocation in year one.

OWNER

Commercial Director

TIMING

12 months

Recommended launch sequence

01 Clear Iran-side export eligibility

Confirm in writing that saffron / HS 091020 can legally be exported under the current exemption regime. No shipment commitment until this gate is cleared.

02 Confirm market access

GACC/CIFER producer status, importer eligibility and exact product treatment.

03 Qualify the buyer

Independent credit and company checks; do not confuse a sanctions-clean buyer with a creditworthy buyer.

04 Run a low-exposure pilot

Small shipment, high advance-payment protection, no exclusivity and no local inventory build.

05 Scale only after successful settlement

Require at least two or three clean transaction cycles before increasing exposure materially.

10. Market Verdict & Next Steps

What Khorasan Saffron Export Co. should do with a RED assessment

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RED

DEFER COMMITMENT - continue due diligence

Do not accept a binding shipment commitment until saffron export eligibility under Iran's current restrictions is confirmed and the payment/sanctions corridor is pre-cleared. Continue buyer and compliance work so a controlled pilot can proceed quickly if those gates are resolved.

Recommended option

Defer Due Diligence / Controlled Pilot Preparation. Continue buyer qualification, GACC eligibility checks and payment-route clearance, but do not commit goods or material working capital. If Iran confirms saffron export eligibility and a lawful settlement chain is available, move to a small reversible pilot rather than full market entry.

Conditions that would improve the verdict

- Authoritative confirmation that saffron / HS 091020 is currently permitted for export from Iran.
- A stable, repeatable and professionally cleared Iran → China settlement route completing multiple transactions without rejection or delay.
- Material de-escalation of the Iran-US conflict and reduced sanctions/banking pressure.
- A sustained easing in US secondary-sanctions enforcement pressure toward Iran-linked Chinese financial institutions, improving bank willingness to process screened lawful trade.
- Confirmed GACC registration and successful first import clearance under the post-June-2026 regime.
- Evidence that a reliable Chinese buyer will accept strong payment protection without requiring opaque intermediaries.

Conditions that would keep or deepen the RED verdict

- The proposed buyer or any required bank/intermediary is designated or cannot obtain compliance approval.
- No transparent payment chain can be established before shipment.
- New sanctions or conflict measures materially close the required banking, insurance or transport route.
- China determines that the exporter/site is ineligible or suspends the relevant Iran-origin product pathway.

12-month outlook

The target market itself should remain economically and administratively functional, but the transaction corridor is likely to stay volatile. The most important variables are US-Iran conflict/sanctions policy, Chinese bank risk appetite, the practical availability of compliant payment channels, and implementation of China's revised imported-food registration system. The score should therefore be treated as **time-stamped**, not permanent.

Review trigger

Re-run the R6 assessment before any material increase in annual China allocation, immediately after a major sanctions/banking change, or if the first payment route fails. In a market this volatile, a six-month-old risk score can become commercially obsolete.

11. Data Sources & Methodology

Evidence hierarchy, limitations and scoring logic

Evidence used

- **Client questionnaire** - Khorasan Saffron Export Co. sample questionnaire: product/export profile, certifications, export experience, target customer, stated concerns and risk tolerance. Client-supplied information; not independently verified market evidence.
- **Global Trade Alert** - Iran: Government bans all food and agricultural product exports; in force with rolling product-specific exemptions, updated July 2026
- **UN Security Council** - Resolution 2231 background: re-application of earlier Iran nuclear-related resolutions from 27 September 2025
- **Reuters** - US warnings to larger Chinese banks on possible secondary-sanctions exposure, 16 August 2026
- **European Union / EUR-Lex** - Council Decision (CFSP) 2026/1157 and Council Regulation (EU) 2026/1164 of 22 May 2026, extending the Iran sanctions framework to actions undermining freedom of navigation in the Middle East. Decision 2026/1157 · Regulation 2026/1164
- **Shanghai Municipal Government / GACC** - GACC Decree No. 280 implementation guidance; effective 1 June 2026
- **Mundus Agri (historical)** - March 2022 report: 11 of 60 Iranian saffron suppliers then had a China-valid registration code; used as historical context only
- **IMF** - People's Republic of China - 2025 Article IV Consultation, concluded 18 February 2026
- **FATF** - Black and grey lists; Iran remains a High-Risk Jurisdiction Subject to a Call for Action (2026)
- **OFAC** - Iran sanctions programme and FAQs on Iranian financial-sector exposure
- **UK Government** - Iran sanctions: statutory guidance, updated 1 May 2026
- **Council of the EU** - EU sanctions against Iran - current regimes and 2026 measures
- **GACC** - Registration of overseas manufacturers of imported food - Decree No. 280, effective 1 June 2026
- **State Council of China** - China revises rules to tighten oversight of imported food safety, 19 March 2026
- **China Customs** - Safety of Imported and Exported Food - registration, filing and food-safety requirements
- **WTO** - HS six-digit nomenclature: 091020 Saffron
- **Reuters** - Iran says it will escalate if US does not honour deal within weeks, 17 August 2026
- **Licensed international trade transaction data** - Eximpedia summary supplied for Iran exports of HS 091020 to China, approx. 30 June 2025-30 June 2026

How the composite was built

Each dimension is scored 1-10 on an inverted scale, where higher means safer. Weightings are Political 22%, Economic 20%, Trade Policy 16%, Payment 18%, Sanctions 12%, Regulatory 12%. The current scores are 7, 7, 2, 2, 3 and 5 respectively, producing $4.58 \times 10 = 45.8/100$ (RED).

Corridor overlay rule

Dimensions 1, 2 and 6 primarily assess the **target market**. Dimension 3 assesses the **trade-policy corridor** where either origin-side export controls or destination-side import controls directly determine whether the product can legally enter trade. Dimensions 4 and 5 assess the full transaction corridor for payment and sanctions/legal exposure. This keeps Iran's political/economic instability out of China's scores while still capturing origin-side rules that directly gate the transaction.

Known evidence gaps

- **Saffron exemption status:** Iran's blanket food/agriculture export ban remains listed as in force with rolling exemptions; no authoritative source reviewed confirms whether HS 091020 saffron is currently exempt. This must be resolved before shipment.
- Secondary tariff sources indicate approximately 2% MFN for Chinese code 0910200000, but this remains unconfirmed against the definitive 2026 Chinese tariff line and should be verified by the importer/customs broker before contracting.

- The client's own GACC/CIFER registration status is fictitious/unknown in this sample scenario and must be verified in a real engagement.
- No inference is made about the banking channels used by the named exporters in the transaction-data summary.
- The supplied Eximpedia quantity field was not used because its unit was not independently established.
- This report does not provide a legal opinion on the permissibility of a specific transaction.

Data currency

Research cut-off: **17 August 2026**. Sanctions, conflict, banking and regulatory conditions can change rapidly. Transaction-level screening should be repeated immediately before each shipment and payment.

Appendix A - Production & Quality Statement

This report was produced using proprietary research and analytical methods, with full analyst review and sign-off by Anthony Wolff, Founder, TradeMatch Pro Ltd.

Appendix B - Standard Intelligence Disclaimer

About this report

This report has been produced by TradeMatch Pro Ltd exclusively for the contracting client named on the cover. It is provided for general commercial intelligence purposes only.

What this report is not

This report does not constitute legal, financial, regulatory, tax, customs, sanctions or investment advice of any kind. It is an analytical intelligence product designed to inform commercial decision-making. It is not a substitute for independent professional advice.

Third-party data sources

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End of Report

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