**Iran to Scrap Nuclear Deal If UN Sanctions Approved (Update1)**

(Updates with Bahonar’s comments in second paragraph, adds Clinton comments in third, details of deal starting in fourth.)

By Ali Sheikholeslami

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May 20 (Bloomberg) -- Iran said it will back out of an agreement to swap enriched uranium for reactor fuel if the United Nations Security Council approves a U.S.-sponsored proposal for a fourth round of sanctions aimed at curbing the country’s nuclear development.

“If the fourth round of sanctions gets approved, Iran’s commitments stipulated in the recent statement on the agreement and sending enriched uranium abroad will be annulled,” Deputy Speaker of Parliament Mohammadreza Bahonar was cited as saying today by the state-run Mehr news agency.

U.S. Secretary of State Hillary Clinton told the Senate Foreign Relations Committee May 18 that, with cooperation from Russia and China, the U.S. had created “a strong draft” of a sanctions resolution. The proposed measures are “as convincing an answer to the efforts undertaken in Iran in the past few days as any we could provide,” she told senators.

The U.S. move came a day after Iran said it agreed to hand over to Turkey about half of its enriched-uranium stockpile in exchange for fuel in a form that can be used only to run a Tehran reactor that produces medical isotopes. Iran said the swap would be supervised by the UN’s International Atomic Energy Agency.

Iran said the fuel-exchange deal brokered by Brazil and Turkey would make sanctions unnecessary. The U.S. and its allies said the agreement announced in Tehran sidestepped the dispute over Iran’s continued uranium enrichment.

Uranium can fuel a reactor or, enriched to higher degrees, form the core of a bomb. UN inspectors said in February that Iran was close to the 20 percent threshold that can open the way to the production of weapons-grade uranium. Iran would continue enrichment to 20 percent after any fuel exchange takes place, the government said after the deal was announced.