

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Issues Guidance Concerning National Defense Authorization Act Sanctions on Iran

2/14/2012

WASHINGTON - Today the U.S. Department of the Treasury issued guidance concerning the implementation of section 1245 of the National Defense Authorization Act (NDAA).

The guidance clarifies a number of issues related to the implementation of the NDAA provision as it relates to foreign governments, financial institutions, and other interested parties. Among other topics, the guidance addresses the scope of institutions that may be subject to sanctions under the NDAA, the nature of the transactions that are covered, and how the Administration will approach the determination of what qualifies as a "significant reduction" in a country's purchases of crude oil from Iran.

Executive Order 13599 delegates to the Secretary of the Treasury, in consultation with the Secretary of State, authority to determine whether a foreign financial institution has engaged in significant transactions of the type that trigger sanctions under the Act. The Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Energy, and the Director of National Intelligence, is delegated authority to determine whether any country has significantly reduced the volume of its crude oil purchases from Iran.

"We are working intensively to implement the NDAA's financial sanctions as part of our broad-based efforts to stop Iran's illicit nuclear activities," said Treasury Under Secretary for Terrorism and Financial Intelligence, David S. Cohen. "We urge banks worldwide to act quickly to terminate their ties to the Central Bank of Iran, both to protect themselves from the CBI's illicit financial activities and to isolate the CBI from the international financial system."

President Obama signed E.O. 13599 on February 5, 2012. The E.O. takes a number of actions in furtherance of the Administration's Iran sanctions program, including measures to implement section 1245 of the NDAA which was signed by the President December 31, 2011.

Guidance on the implementation of section 1245 of the NDAA is available [here](#).

###

