

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Targets Exchange House and Trading Company Linked to Iranian Attempts to Evade Sanctions

5/15/2013

Action Designates Financial Institutions Involved in Providing Foreign Currency Exchange for the Iranian Regime

WASHINGTON – The U.S. Department of the Treasury designated an exchange house and a trading company today for aiding Iranian attempts to circumvent international economic sanctions. Al Hilal Exchange and Al Fida International General Trading, which are based in the United Arab Emirates, were designated pursuant to Executive Order (E.O.) 13382 for providing financial services to previously designated Iranian banks. They have been used by Iran in an attempt to maintain access to foreign currency exchange.

“As Iran’s access to the international banking sector comes under increasing pressure, we have seen it turn increasingly to exchange houses and trading companies in its attempts to evade international sanctions and maintain its access to foreign exchange,” said Under Secretary for Terrorism and Financial Intelligence David S. Cohen. “We have warned the financial community about the risks posed by Iran’s use of exchange houses and trading companies to evade sanctions, and today’s action makes clear that we will impose sanctions against non-bank financial institutions that facilitate Iran’s illicit conduct. We will continue to work with our partners in the UAE and around the world to increase pressure on the Iranian regime as it fails to address well founded concerns about its nuclear program.”

Both Al Hilal Exchange and Al Fida International General Trading are being designated today pursuant to E.O. 13382 for their role in providing financial services to Bank Mellat, a designated Iranian bank directly involved with the Iranian nuclear program.

Al Hilal Exchange, an exchange house based in Dubai, UAE, offers services related to remittances, currency exchange and credit card services. During a three-month span in early 2012, Al Hilal Exchange provided foreign currency exchange services worth more than \$55 million to Bank Mellat. Al Hilal Exchange is also being designated for providing financial services to Bank Melli, specifically currency exchange services. Treasury previously designated Bank Melli for its financial services for the Atomic Energy Association of Iran and the Iranian Ministry of Defense for Armed Forces Logistics in 2007.

The Central Bank of the UAE recently took action against Al Hilal Exchange, revoking its license on May 8, 2013 for major regulatory and anti-money laundering compliance violations. The U.S. Government welcomes this action taken by the Government of the UAE and commends the UAE for taking action to combat the risks posed to the UAE and international financial system by the illicit financial operations of this exchange house. We look forward to further opportunities to collaborate with the UAE on combating illicit finance.

Al Fida International General Trading, also located in Dubai, collaborated with Al Hilal Exchange to provide Bank Mellat with access to foreign currency. Bank Mellat transferred currency to Al Hilal Exchange through an Al Fida General Trading account in an attempt to obscure the origins of the funds.

U.S. persons are generally prohibited from engaging in any transactions with the entities designated today, and any assets of those entities subject to U.S. jurisdiction are frozen. Additionally, today’s designations under E.O. 13382 carry consequences under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA). Foreign financial institutions that knowingly facilitate significant transactions or provide significant financial services for these sanctioned entities or individual are exposed to potential loss of access to the U.S. financial system.

Please note, Al Hilal Exchange, one of the entities being designated today, is separate and distinct from Al Hilal Bank, which is also based in the UAE. Today’s sanctions are not imposed on Al Hilal Bank.

For guidance on the risks posed by Iran’s use of exchange houses and trading companies, see the Office of Foreign Assets Control’s January 10, 2013 [release](#) on “The Use of Exchange Houses and Trading Companies to Evade U.S. Economic Sanctions Against Iran.”

Identifying Information

Name: Al Hilal Exchange

Address: P.O. Box 28774, Shop #9 & 10 Ground Floor, Emirates Concorde Hotel, Al-Maktoum Road, Deira Dubai, United Arab Emirates

Alt. Address: Emirates Concorde Hotel & Residence, AlMaktoum Street, P.O. Box 28774, Dubai, United Arab Emirates

Name: Al Fida International General Trading

Address: P.O. Box: 28774, Office Tower 16th Floor Flat 1065, Emirates Concorde Hotel, Dubai, United Arab Emirates

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