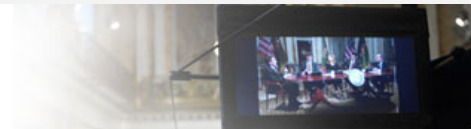


U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Removes Sanctions on Iraqi Bank

5/17/2013

Action Follows a Verified Change of Behavior from the Elaf Islamic Bank

WASHINGTON – The Department of the Treasury today lifted sanctions against the Elaf Islamic Bank in Iraq following the bank’s significant and demonstrated change in behavior.

On July 31, 2012 the Treasury Department imposed sanctions under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA), against Elaf Islamic Bank, a privately-owned Iraqi financial institution, for knowingly facilitating significant transactions and providing significant financial services for the U.S. and EU-designated Export Development Bank of Iran (EDBI).

Following the CISADA finding, Elaf immediately engaged the Treasury Department and began an intensive course of action to stop the conduct that led to the CISADA sanction, including freezing EDBI accounts at Elaf and reducing its overall exposure to the Iranian financial sector. Following today’s action U.S. financial institutions are once again permitted to open or maintain correspondent accounts or payable-through accounts in the United States for Elaf Islamic Bank.

“Today we welcome Elaf Islamic Bank back into the U.S. financial system, and we urge other designated individuals and entities around the world to follow its positive example. As today’s delisting demonstrates, our sanctions are flexible and can be lifted if the conduct that led to the sanction terminates,” said Under Secretary for Terrorism and Financial Intelligence David S. Cohen. “As we increase our sanctions against Iran, we will continue to target any financial institution that works with designated Iranian banks or attempts to assist Iran in evading sanctions.”

Sanctions may be, and regularly are, lifted when circumstances warrant, which includes ceasing the sanctionable activity. Any sanctioned party may petition OFAC for sanctions to be lifted. In general, demonstrating changes in circumstances or behavior are essential to the lifting of sanctions.

Treasury will continue to use all tools at its disposal to target entities or individuals engaging in sanctionable activity related to Iran. CISADA was signed into law by President Obama in July 2010. Among other things, CISADA provides the Secretary of the Treasury with the authority to impose strict conditions on, or prohibit the opening or maintaining of, correspondent accounts or payable-through accounts in the United States for foreign financial institutions that knowingly facilitate a significant transaction or provide significant financial services for a person whose property and interests in property are blocked under the International Emergency Economic Powers Act in connection with Iran’s proliferation of weapons of mass destruction (WMD) or delivery systems for WMD, or for Iran’s support for international terrorism.

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