

Treasury Sanctions Iran's Largest Petrochemical Holding Group and Vast Network of Subsidiaries and Sales Agents

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PGPIC Awards IRGC Construction Firm Hundreds of Millions of Dollars in Contracts

WASHINGTON – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) took action today against Iran's largest and most profitable petrochemical holding group, Persian Gulf Petrochemical Industries Company (PGPIC), for providing financial support to Khatam al-Anbiya Construction Headquarters (Khatam al-Anbiya), the engineering conglomerate of the Islamic Revolutionary Guard Corps (IRGC). In addition to PGPIC, OFAC is designating PGPIC's vast network of 39 subsidiary petrochemical companies and foreign-based sales agents. PGPIC and its group of subsidiary petrochemical companies hold 40 percent of Iran's total petrochemical production capacity and are responsible for 50 percent of Iran's total petrochemical exports.

“By targeting this network we intend to deny funding to key elements of Iran's petrochemical sector that provide support to the IRGC,” said Treasury Secretary Steven T. Mnuchin. “This action is a warning that we will continue to target holding groups and companies in the petrochemical sector and elsewhere that provide financial lifelines to the IRGC.”

“The IRGC systemically infiltrates critical sectors of the Iranian economy to enrich their coffers, while engaging in a host of other malign activities,” said Under Secretary for Terrorism and Financial Intelligence Sigal Mandelker.

The IRGC and its major holdings, such as the [Basij Cooperative Foundation](#) and Khatam al-Anbiya, have a dominant presence in Iran's commercial and financial sectors, controlling multi-billion dollar businesses and maintaining extensive economic interests in the defense, construction, aviation, oil, banking, metal, automobile and mining industries, controlling multi-billion dollar businesses. The profits from these activities support the IRGC's full range of nefarious activities, including the proliferation of weapons of mass destruction (WMD) and their means of delivery, support for terrorism, and a variety of human rights abuses, at home and abroad.

In 2018, Iran's Ministry of Petroleum awarded the IRGC's Khatam al-Anbiya ten projects in oil and petrochemical industries worth the equivalent of 22 billion dollars, a value four times the official budget of the IRGC. In late 2016, Iran's Minister of Petroleum asked the IRGC's Khatam al-Anbiya to increase its investment and presence across Iran's oil and petrochemical industries.

OVERVIEW OF TODAY'S ACTION

Today's action targets PGPIC for its connection to Khatam al-Anbiya, the economic arm of the IRGC, along with PGPIC's network of major petrochemical companies across Iran and its foreign-based subsidiaries and their sales agents. This extensive network of petrochemical companies represents Iran's most profitable petrochemical holding. Its parent corporation, PGPIC, has awarded major engineering, procurement, and construction contracts to the IRGC's Khatam al-Anbiya, generating hundreds of millions of dollars for an IRGC economic conglomerate that stretches across Iran's major industries.

OFAC is designating PGPIC for having provided, or attempted to provide, financial, material, technological, or other support for, or goods or services to or in support of, Khatam al-Anbiya, a person whose property and interests in property are blocked pursuant to Executive Order (E.O.) 13382, which authorizes sanctions on WMD proliferators and their supporters.

The following are Iran-based PGPIC subsidiary petrochemical companies that OFAC is also designating pursuant to E.O. 13382 for being owned or controlled by PGPIC.

- Arvand Petrochemical Company
- Bandar Imam Abniroo Petrochemical Company
- Bandar Imam Besparan Petrochemical Company
- Bandar Imam Faravaresh Petrochemical Company
- Bandar Imam Kharazmi Petrochemical Company
- Bandar Imam Kimiya Petrochemical Company
- Bandar Imam Petrochemical Company
- Bu Ali Sina Petrochemical Company
- Fajr Petrochemical Company
- Hengam Petrochemical Company
- Hormoz Urea Fertilizer Company
- Iranian Investment Petrochemical Group Company

- Iranian Petrochemical Investment Development Management Company
- Karoun Petrochemical Company
- Khouzestan Petrochemical Company
- Lordegan Urea Fertilizer Company
- Mobin Petrochemical Company
- Modabberan Eqtesad Company
- Nouri Petrochemical Company
- Pars Petrochemical Company
- Pazargad Non Industrial Operation Company
- Persian Gulf Apadana Petrochemical Company
- Persian Gulf Bid Boland Gas Refinery Company
- Persian Gulf Petrochemical Industry Commercial Co. (PGPICC)
- Persian Gulf Fajr Yadavaran Gas Refinery Company
- Petrochemical Industries Development Management Company
- Rahavaran Fonoon Petrochemical Company
- Shahid Tondgoyan Petrochemical Company
- Urmia Petrochemical Company
- Hemmat Petrochemical Company
- Petrochemical Non-Industrial Operations & Services Co.

OFAC is designating Ilam Petrochemical Company, Gachsaran Polymer Industries, and Dah Dasht Petrochemical Industries pursuant to E.O. 13382 for being owned or controlled by Iranian Investment Petrochemical Group Company, itself being designated for being owned or controlled by PGPIC. Broojen Petrochemical Company also is identified as property in which Iranian Investment Petrochemical Group Company, Dah Dasht Petrochemical Industries, and Modabberan Eqtesad Company have an interest.

Additionally, the UK-based NPC International and Philippines-based and NPC Alliance Corporation also are being designated by OFAC pursuant to E.O. 13382 for being owned or controlled by PGPIC. OFAC is designating two UAE-based entities that have acted as sales agents for PGPIC and its subsidiaries. Atlas Ocean and Petrochemical is being designated for having provided, or attempted to provide, financial, material, technological, or other support

for, or goods or services to or in support of, Ilam Petrochemical Company. Naghmeh FZE is being designated for acting for or on behalf of PGPICC

GLOBAL IMPACT

A number of entities designated today export products and have known business ties with companies around the globe. International companies that continue to partner with PGPIC and its designated subsidiaries and sales agents will themselves be exposed to U.S. sanctions.

Treasury urges international companies to ensure they are conducting the necessary due diligence to avoid engaging in sanctionable activity with entities that support the Iranian regime's malign activity.

SANCTIONS IMPLICATIONS

As of November 5, 2018, the purchase, acquisition, sale, transport, or marketing of petrochemical products from Iran is sanctionable pursuant to E.O. 13846. Also, knowingly providing insurance or re-insurance for the transport of Iranian petroleum and petrochemical products is sanctionable. The U.S. government intends to vigorously enforce those sanctions in order to prevent Iran from generating revenue to support its destructive and destabilizing activities around the world.

As a result of today's action, all property and interests in property of these entities that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked or designated persons.

In addition, persons that engage in certain transactions with the entities designated today may themselves be exposed to designation. Furthermore, any foreign financial institution that knowingly facilitates a significant financial transaction or provides significant financial services for entities designated in connection with Iran's proliferation of weapons of mass destruction or any Iranian person on OFAC's List of Specially Designated Nationals and Blocked Persons could be subject to U.S. correspondent account or payable-through account sanctions.

[Identifying information on the entities designated today.](#)

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