

Treasury Targets Major Iranian Metals Companies and Foreign Subsidiaries and Sales Agents

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WASHINGTON – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) took action against four steel, aluminum, and iron companies operating within Iran’s metals sector, including one subsidiary of Mobarakeh Steel Company — Iran’s largest steel manufacturer. Treasury is also designating one Germany-based and three United Arab Emirates (UAE)-based sales agents for being owned or controlled by Mobarakeh Steel Company. Mobarakeh Steel Company was [designated](#) in 2018 pursuant to counterterrorism authorities for providing support to Iran’s Mehr Eqtesad Iranian Investment Company, an entity designated for being owned or controlled by the IRGC-affiliated Bonyad Taavon Basij. Mobarakeh Steel Company was also designated in 2020 for [operating](#) in Iran’s steel sector, and was [sanctioned](#) by the seven member nations of the Terrorist Financing Targeting Center in October 2019 for being part of Iran’s terror support network. Together, these sales agents generated tens of millions of dollars annually from the foreign sale of Mobarakeh Steel Company products, providing significant contributions to the billions of dollars generated overall by Iran’s steel, aluminum, copper, and iron sectors.

“The Iranian regime continues to use profits from metals manufacturers and foreign sales agents to fund destabilizing behavior around the world,” said Secretary Steven T. Mnuchin. “The United States remains committed to isolating key sectors of the Iranian economy until the revenues from such sectors are refocused toward the welfare of the Iranian people.”

Today’s actions are being taken pursuant to Executive Order (E.O.) 13871, which imposes sanctions with respect to the iron, steel, aluminum, and copper sectors of Iran.

Mobarakeh Steel Company Subsidiaries

Today’s action targets one domestic and four foreign subsidiaries of Mobarakeh Steel Company, the largest flat steel producer in the Middle East and North Africa region, which accounts for approximately one percent of Iran’s gross domestic product. Mobarakeh Steel Company has provided millions of dollars annually to Mehr Eqtesad Iranian Investment Company, an entity with close ties to Iran’s paramilitary Basij force, which is controlled by the IRGC, and its Bonyad

Taavon Basij. Collectively, the subsidiaries designated today help generate the equivalent of tens of millions of dollars annually from the sale of Mobarakeh Steel Company products.

Germany-based **Tara Steel Trading GmbH** is a wholly owned subsidiary of Mobarakeh Steel Company engaged in the wholesale of metals and metal ores in Europe. In 2018, Tara Steel Trading GmbH generated the equivalent of nearly 60 million dollars in sales, and held assets valued at the equivalent of more than 100 million dollars. It has also purchased tens of millions of dollars in spare parts for Mobarakeh Steel Company.

Pacific Steel FZE, Better Future General Trading Co LLC, and Tuka Metal Trading DMCC are UAE-based sales agents and trading companies that are majority-owned by Mobarakeh Steel Company and have engaged in the import and export of Iranian metal products in the region. Better Future General Trading Co LLC has claimed to be the main exporter of Mobarakeh Steel Company products regionally, and between 2018 and 2019 participated in the equivalent of over 100 million dollars-worth of trade in spare parts with its parent company. Pacific Steel FZE has marketed itself as a steel supplier for clients in the Middle East and African countries, operating with an export customer code from Mobarakeh Steel Company. During the same timeframe, it engaged in the equivalent of nearly one million dollars-worth of trade with, and maintained account balances with, Mobarakeh Steel Company.

Metil Steel is an Iran-based steel producer and exporter that is majority-owned by Mobarakeh Steel Company.

OFAC is designating **Tara Steel Trading GmbH, Pacific Steel FZE, Better Future General Trading Co LLC, Tuka Metal Trading DMCC, and Metil Steel** pursuant to E.O. 13871 for being owned or controlled by, directly or indirectly, Mobarakeh Steel Company.

Iranian Metals Producers

Today's action also targets three large aluminum, steel, and iron producers in Iran, who collectively contribute to the equivalent of billions of dollars generated overall in sales and export of Iranian metals annually.

South Aluminum Company is an Iran-based aluminum producer who, in April 2020, completed construction of an advanced smelter able to produce 300,000 tons of aluminum products annually, significantly improving Iran's aluminum ingot production. In Iran, the aluminum industry is considered a dual-use industry with portions of refined products used in the defense sector and the remaining available products used in various industries throughout the country.

Sirjan Jahan Steel Complex is an Iran-based steel and iron producer that maintains four different manufacturing facilities which have an annual production capacity of over six million tons of steel and iron products.

Iran Central Iron Ore Company is an Iran-based iron producer that exports various iron products regionally and to East Asia. Iran Central Iron Ore Company has previously exported approximately 1.5 million tons of iron products around the world with an estimated value of 133 million dollars.

OFAC is designating **South Aluminum Company** pursuant to E.O. 13871 for operating in the aluminum sector of Iran, **Sirjan Jahan Steel Complex** pursuant to E.O. 13871 for operating in the iron and steel sectors of Iran, and **Iran Central Iron Ore Company** pursuant to E.O. 13871 for operating in the iron sector of Iran.

Concurrently, the U.S. Department of State is imposing sanctions on Global Industrial and Engineering Supply Ltd. pursuant to section 1245 of the Iran Freedom and Counter-Proliferation Act. In 2019, Global Industrial and Engineering Supply Ltd., an entity with addresses in mainland China and Hong Kong, knowingly transferred 300 metric tons of graphite to an Iranian entity (the Islamic Republic of Iran Shipping Lines) included on the SDN List. Graphite is a critical material for Iran's metals industry. As a result, OFAC is listing **Global Industrial and Engineering Supply Ltd.** on the SDN List.

Sanctions Implications

All property and interests in property of these persons 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, unless licensed or exempt.

In addition, persons that engage in certain transactions with the persons designated today under E.O. 13871 may themselves be exposed to sanctions. Furthermore, any foreign financial institution that knowingly conducts or facilitates a significant transaction for or on behalf of the persons designated today under E.O. 13871 could be subject to U.S. correspondent or payable-through account sanctions.

[Identifying information on the individuals, entities, and vessel designated today.](#)

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