Treasury Sanctions Eighteen Major Iranian Banks

October 8, 2020

WASHINGTON – Today, the Secretary of the Treasury, in consultation with the Secretary of State, identified the financial sector of the Iranian economy pursuant to section 1(a)(I) of Executive Order (E.O.) 13902, which authorizes Treasury to sanction any Iranian financial institution. Subsequently, the Office of Foreign Assets Control (OFAC) sanctioned eighteen major Iranian banks. As part of this action, OFAC sanctioned sixteen Iranian banks for operating in Iran's financial sector and one bank for being owned or controlled by a sanctioned Iranian bank. Additionally, today's action includes the designation of an Iranian military-affiliated bank under Treasury's counter-proliferation authority.

"Today's action to identify the financial sector and sanction eighteen major Iranian banks reflects our commitment to stop illicit access to U.S. dollars," said Secretary Steven T. Mnuchin. "Our sanctions programs will continue until Iran stops its support of terrorist activities and ends its nuclear programs. Today's actions will continue to allow for humanitarian transactions to support the Iranian people."

Treasury's action was taken pursuant to E.O. 13902, which provides authority to identify and impose sanctions on key sectors of Iran's economy in order to deny the Iranian government financial resources that may be used to fund and support its nuclear program, missile development, terrorism and terrorist proxy networks, and malign regional influence. Treasury also sanctioned one bank pursuant to E.O. 13382, which provides authority to impose sanctions on proliferators of weapons of mass destruction (WMD) and their supporters.

The action under E.O. 13902 does not affect existing authorizations and exceptions for humanitarian trade, which remain in full force and effect for these seventeen banks. This action also does not affect activities subject to a State Department-issued waiver or exception, or activities subject to an OFAC general or specific license.

SANCTIONS ON INSTITUTIONS OPERATING IN IRAN'S FINANCIAL SECTOR

Under the provisions of E.O. 13902, the Secretary of the Treasury identified the financial sector of Iran's economy as an additional avenue that funds the Iranian government's malign activities. Today's sanctions targeted major banks operating in Iran's financial sector.

Amin Investment Bank, **Bank Keshavarzi Iran**, **Bank Maskan**, **Bank Refah Kargaran**, **Bank-e Shahr**, **Eghtesad Novin Bank**, **Gharzolhasaneh Resalat Bank**, **Hekmat Iranian Bank**, **Iran Zamin Bank**, **Karafarin Bank**, **Khavarmianeh Bank** (also known as Middle East Bank), **Mehr Iran Credit Union Bank**, **Pasargad Bank**, **Saman Bank**, **Sarmayeh Bank**, **Tosee Taavon Bank** (also known as Cooperative Development Bank), and **Tourism Bank** were previously identified as Iranian financial institutions pursuant to E.O. 13599. Today, they were sanctioned as entities operating in Iran's financial sector.

Additionally, **Islamic Regional Cooperation Bank**, also previously identified as an Iranian financial institution under E.O. 13599, was sanctioned pursuant to E.O. 13902 for being owned or controlled by **Eghtesad Novin Bank**.

In May 2020, **Hekmat Iranian Bank**, a bank servicing Iran's armed forces, merged with Bank Sepah, which has served as a financial platform for Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) to pay its agents abroad. Bank Sepah was designated on November 5, 2018 pursuant to E.O. 13382 for having provided support to MODAFL. Today, **Hekmat Iranian Bank** was also designated pursuant to E.O. 13382, as an entity owned or controlled by Bank Sepah.

The banks sanctioned today are subject to the supervision and regulation by the Central Bank of Iran (CBI), which was previously designated under E.O. 13224 for providing support to the Islamic Revolutionary Guards Corps (IRGC), its Qods Force (IRGC-QF), and its terrorist proxy, Hizballah.

SANCTIONS IMPLICATIONS

All property and interests in property of designated targets 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 the United States (including transactions transiting the United States) that involve any property or interests in property of blocked or designated persons.

In addition, financial institutions and other persons that engage in certain transactions or activities with the sanctioned entities after a 45-day wind-down period may expose themselves to secondary sanctions or be subject to an enforcement action.

Today's action targets the Iranian regime and is not directed at the people of Iran. The U.S. government recognizes and understands the necessity for both commercial humanitarian exports and humanitarian transactions to access Iran's banking system, and this action does not interfere with that ability. Concurrent with this action, OFAC is issuing a general license pursuant to E.O. 13902, authorizing transactions and activities involving Iranian financial institutions sanctioned under E.O. 13902 that are authorized, exempt, or otherwise not prohibited under the Iranian Transactions and Sanctions Regulations. For details, see General License L. In addition, OFAC is providing a 45-day period for non-U.S. persons to wind down non-humanitarian transactions that may become subject to sanctions as a result of sanctions under E.O. 13902.

OFAC is also issuing guidance in the form of FAQs, which set forth the 45-day wind down, provide further guidance on the scope of General License L, and outline the effects of sanctions under E.O. 13902 on U.S. and non-U.S. persons engaged in humanitarian trade and certain other transactions involving Iran, including non-U.S. persons' secondary sanctions exposure. For specific information on humanitarian trade with Iran, reference OFAC's FAQs and important advisories.

View identifying information on the entities sanctioned today.

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