

# Treasury Targets Vessel Shipping Iranian Commodities Valued at over \$100 Million for Iran's Ministry of Defense

February 27, 2024

WASHINGTON — Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) is taking action against two companies registered in Hong Kong and the Marshall Islands that own and operate a vessel, the Panama-flagged **KOHANA**, shipping over \$100 million in Iranian commodities to businesses in the People's Republic of China (PRC) on behalf of Iran's Ministry of Defense and Armed Forces Logistics (MODAFL). MODAFL continues to facilitate the delivery of Iranian weapons, most notably unmanned aerial vehicles (UAVs), to Russia in support of its war of aggression in Ukraine and to Iranian-aligned militia groups in the Middle East.

"Iran's Ministry of Defense is engaged in a series of schemes to fund destabilizing activities that range from supplying militia groups with weapons used to attack U.S. forces to aiding Russia's invasion of Ukraine," said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. "Treasury will continue to disrupt the illicit revenue-generation efforts that support these destabilizing acts."

Today's action is being taken pursuant to the counterterrorism authority in Executive Order (E.O.) 13224, as amended. OFAC designated MODAFL pursuant to E.O. 13224 on [March 26, 2019](#) for assisting, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, Iran's Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF). The IRGC-QF was designated pursuant to E.O. 13224 on October 25, 2007 for providing support to multiple terrorist groups.

## **VESSEL CARRYING IRANIAN COMMODITIES FOR MODAFL**

Entities affiliated with MODAFL help produce Iranian weapons systems, including UAVs, many of which are transferred to Russia or are provided to Iran's web of proxy and partner groups to use against U.S., allied, and partner interests throughout the Middle East. In order to generate extra revenue to support such efforts, the Iranian government allocates billions of dollars' worth of commodities to Iranian military entities, including MODAFL.

In late January 2024, MODAFL orchestrated a shipment of Iranian commodities valued at over \$100 million to companies in the PRC aboard the vessel KOHANA (IMO: 9254082), which is owned by Hong Kong-registered **Kohana Company Limited** and operated by Marshall Islands-registered **Iridescent Co Ltd**. The KOHANA is currently on its way to China, where it intends to offload its cargo.

Kohana Company Limited and Iridescent Co Ltd are being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, MODAFL. The KOHANA is being identified as property in which Kohana Company Limited has an interest.

## SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the designated persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons.

In addition, financial institutions and other persons that engage in certain transactions or activities with the sanctioned entities and individuals may expose themselves to sanctions or be subject to an enforcement action. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any designated person, or the receipt of any contribution or provision of funds, goods, or services from any such person.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the SDN List, but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to [OFAC's Frequently Asked Question 897 here](#). For detailed information on [the process to submit a request for removal from an OFAC sanctions list, please click here](#).

###