

# PANEL OF EXPERTS ESTABLISHED PURSUANT TO RESOLUTION 1929 (2010)

## - FINAL REPORT -

### EXECUTIVE SUMMARY

1. This Final Report is submitted in fulfilment of the Panel's mandate as set forth in paragraph 29 of Security Council resolution 1929 (2010). It contains the Panel's analysis, conclusions and recommendations regarding Iran's compliance with the provisions of resolution 1929 (2010) and prior related resolutions, as well as implementation by Member States. The report draws on consultations with Member States and experts, inspections of reported incidents of non-compliance, and assessments of implementation reports submitted by Member States under resolution 1929 (2010). The report also discusses other work undertaken by the Panel according to its remit, including outreach activities to Member States, regional groups, and the private sector and, where appropriate, the provision of technical advice.
2. The sanctions specified in resolution 1929 (2010) and previous resolutions are part of an intensive effort by the international community to persuade Iran to comply with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons and to satisfy the international community that its nuclear programme is for purely peaceful purposes. Sanctions are one element of a dual-track approach to Iran which includes a concerted diplomatic effort by China, France, Germany, Russia, the United Kingdom and United States. Sanctions are carefully targeted at specific activities, institutions, entities and individuals related to Iran's prohibited nuclear and missile activity and transfers of conventional weapons. They seek to alter the policies and decisions related to these issues by Iran's leadership, which has regularly downplayed the impact of sanctions, without imposing an undue burden on its citizens or creating humanitarian hardships. The challenge for Member States is full implementation of these targeted sanctions, while enabling legitimate trade and other activities not covered by sanctions to continue unhindered.
3. The Panel notes that its work is taking place against a backdrop of unprecedented social and political upheaval in the Middle East. This upheaval could have an impact on the implementation of sanctions. The Panel is unable at present to hold consultations with certain key Member States in the region.

4. Overall, the Panel has found that sanctions are constraining Iran's procurement of items related to prohibited nuclear and ballistic missile activity and thus slowing development of these programmes. Awareness of Iran's sanctioned activity is growing among Member States. Member States are taking a more active role in the implementation process, strengthening export controls, and exercising vigilance through their financial and regulatory bodies, port and customs authorities. Sanctions have clearly forced changes in the way in which Iran procures items falling below control thresholds, and in the way it exports conventional arms and related materials. The frequency of reported incidents of non-compliance to the Sanctions Committee has also grown.
5. At the same time, Iran's circumvention of sanctions across all areas, in particular the use of front companies, concealment methods in shipping, financial transactions and the transfer of conventional arms and related materiel, is wilful and continuing. Iran maintains its uranium enrichment and heavy water-related activities, as noted in reporting by the International Atomic Energy Agency, and in the area of ballistic missiles, continues to test missiles and engage in prohibited procurement.
6. The majority of inspections of reported incidents of non-compliance by the Panel thus far concern Iran's transfers of conventional arms and related materiel, prohibited under resolution 1747 (2007). The same prohibition applies to the importation by Member States of such items originating in Iran. The Panel notes that most reported incidents of conventional arms-related violations involve Syria, which has a long and close relationship with Iran. In all such incidents inspected by the Panel, prohibited material was carefully concealed to avoid routine inspection and hide the identity of end-users. It is likely that other transfers took place undetected and that other illicit shipments were identified but not reported to the Committee.
7. The report also highlights the role played by elements of the Iranian Revolutionary Guard Corps (IRGC) in Iran's prohibited activities, for example in the establishment of front companies to carry out procurement and to export covert shipments of conventional weapons. IRGC activities in this sphere pose special challenges for the effective implementation of sanctions. Iran is deploying a wide range of measures to circumvent financial measures; the Panel recommends that it participate in the work by FATF on the implementation of sanctions. Finally, the Panel notes the existence of some reported incidents in which the relevant Member State has failed to welcome the Panel's inspection activity.
8. The Panel has identified a number of areas in which the implementation of sanctions can be made more effective, and presents to that effect the following key recommendations (the full list of recommendations is contained in Part III of the report):

**Recommendation 1:** The Security Council should designate the following individuals and entity referred to in the Panel’s report of its inspection in the Everest (Nigeria) incident:<sup>1</sup>

- Ali Akbar Tabatabaei (alias Sayed Akbar Tahmaesebi)
- Azim Aghajani (also spelled Adhajani)
- Behineh Trading Co, Tehran, Iran

**Recommendation 2:** The Security Council should consider, in view of information to be received from Member States, the designation of the following entity also reported to be involved in the Everest (Nigeria) incident:

- International General Trading and Construction

**Recommendation 3:** The Security Council should seek additional information from Member States of the following IRISL-affiliated entities, with a view toward eventual designation:

- Hafiz Darya Shipping Lines (HDSL)
- Sapid Shipping

**Recommendation 4:** The Committee, with the assistance of the Panel, should make publicly available via its website, national lists of critical items, as determined by Member States, related to procurement for prohibited nuclear and ballistic missile activities.

**Recommendation 5:** The Security Council should urge Member States to maintain a high level of vigilance with the aim of interdicting prohibited transfers of arms and related materiel, and to report within the time specified in resolution 1929 (2010) any such incidents to the Committee, and to support the Panel as it seeks to inspect such incidents.

**Recommendation 6:** The Security Council should update the relevant provisions of resolution 1929 (2010) to reflect the current versions of the control lists referred to in paragraph 13 of the resolution.

**Recommendation 7:** The Security Council should encourage Member States to provide information, expertise and experience to States whose export control regimes and capacities for effective implementation could be further strengthened.

**Recommendation 8:** The Security Council should request Member States to encourage their commercial transportation sector to implement robust internal compliance procedures when doing business with Iran. Such procedures should include vigilance over shipper owned containers, “to order” consignees in bills of lading, and due diligence over all parties involved in the shipment.

**Recommendation 9:** The Security Council should encourage Member States to exercise effective controls over their flag vessels and aircraft, in particular those

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<sup>1</sup> S/AC.50/2011/Note.19.

vessels owned or controlled by IRISL, in order to ensure that they are not engaged in activities prohibited by sanctions.

**Recommendation 10:** The Security Council should request that FATF's work on the implementation of the financial provisions contained in resolution 1929 (2010) be taken forward with the participation of the Panel.

**Recommendation 11:** The Security Council should request Member States to provide information on violations of financial sanctions and on Iranian assets that have been frozen as a consequence of implementing sanctions.

**Recommendation 12:** As highlighted in some inspections reports, the lack of resources, appropriate facilities and expertise can hamper the ability of some Member States to fulfil their obligations with respect to the disposal of seized items, some of which can be hazardous; the Panel recommends that the Security Council consider forms of assistance to such States, including inter alia bilateral assistance and/or creation of a voluntary assistance fund.

68. The ensuing investigation, with close cooperation of China and Turkey, revealed the consignee to be an Iranian, and traced to an Iranian company, Pentane Chemistry Industries (PCI).

### **Findings**

69. The three crates contained respectively 100, 98, and 90 rolls of 23.2 cm in width and varying length, averaging 30 meters. The mesh itself, wrapped in a brown paper, was pliable, with a fine weave of bright copper colour, with no indication of having been chemically treated for wettability. The measurements correspond to a likely use in a distillation column. The specific type of mesh indicates it is most likely for water distillation. This incident reflects an example of Iran procuring items below control thresholds that contribute to prohibited activity.

### **Conclusion**

70. Based on the physical examination of the mesh and initial consultations with the Republic of Korea, and consultations with technical experts, the Panel agrees with the conclusion of the Republic of Korea that the mesh, based on its shape, structure and absence of treatment for wettability, does not fall under the list of items in INFIRC/254/Rev.7/Part 2. The Panel concludes that the mesh, when further fabricated, “could contribute to enrichment-related, reprocessing or heavy water-related activities,” as prohibited under paragraph 6 of resolution 1929 (2010).<sup>13</sup>

### **STX PATRAIKOS (SINGAPORE)**

71. The Panel travelled to Singapore on 26 April 2011 for briefings by Singaporean authorities and to inspect a shipment of aluminium powder seized at the port of Singapore and reported to the Committee on 26 January 2011 (S/AC.50/2011/COMM.5).

### **Sequence of events**

72. According to the report issued by Singapore and documentary information provided to the Panel, the shipment originated in Ningbo, China, and was to be shipped to Bandar Abbas, Iran, with the consignee identified as Takin Tejarat Omid Iranian. The STX Patraikos departed Ningbo on 23 September 2010 and arrived in Singapore on 30 September 2010. Acting on intelligence information, Singaporean authorities inspected and seized the cargo on 30 September 2010. The 302 drums were packed in a single container.

### **Inspection**

73. The Panel inspected and photographed the drums containing the aluminium powder. The potentially hazardous nature of the powder precluded Singaporean authorities

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<sup>13</sup> By paragraph 13 of resolution 1929 (2010), the Security Council decided that the measures imposed by resolution 1737 (2006) would apply to the items contained in INFIRC/254/Rev.9/Part 1 and INFIRC/254/Rev.7/Part 2 and to “any further items if the State determines that they could contribute to enrichment-related, reprocessing or heavy water-related activities.”

from opening the drums for a further physical inspection. The Panel was provided with photographs taken at the time of the seizure and laboratory analysis, which showed the contents of the drums. The Panel believes the drums it viewed in Singapore to be identical to those in the photographs provided by Singaporean authorities. The Panel obtained a number of important documents which were included with the original report to the Committee, including the shipment's bill of lading, the general manifest for the shipment, as well as a contract and invoice issued by the shipper, Zhejiang Bainianyin Industry & Trade Co., Ltd. On all documents the consignee is stated as Takin Tejarat Omid Iranian.

### **Findings**

74. On 11 March 2011, Singapore submitted to the Committee the results of laboratory analysis of the powder based on five samples from two drums. The analysis of all five samples showed that the particles were "mainly spherical in shape," smaller than 50 µm in size, and consisted of "100 percent by weight of aluminium." Singapore concluded that the powder is a "fuel controlled under 4.C.2.c of the Missile Technology Control Regime." This is contained in Security Council document S/2010/263, which lists items, materials, equipment, goods, and technology relevant to ballistic missile activity.
75. The Panel notes that there are commercial applications for fine aluminium powder, including coatings, paints and plastics. According to an expert in the area of ballistic missiles and fuel consulted by the Panel, the high aluminium content of this powder (stated as 100 percent) is an indication that its most likely end-use is solid propellant for missiles.

### **Conclusion**

76. The Panel's enquiry into this matter, including the stated end-user in Iran and its relationship to Iran's missile program, is ongoing.

## **III. OTHER REPORTED INCIDENTS AND PENDING INSPECTIONS**

### **YasAir Cargo (Turkey)**

77. Turkey reported to the Committee on 28 March 2011 that between 19-21 March 2011 they had inspected a YasAir Cargo Airlines transport aircraft at Diyarbakir Airport, Turkey (S/AC.50/2011/COMM.31). The aircraft had been en-route from Iran to Syria. Arms were found onboard in nineteen crates declared as "auto spare parts." They comprised 60 Kalshnikov rifles, 14 BKS (Bixi) machine guns, 7920 rounds of Kalashnikov ammunition, 560 60mm mortars and 1288 120mm mortars.

### **Victoria (Israel)**

78. Israel reported to the Committee on 28 March 2011 that on 15 March 2011 the Israeli Navy boarded the MV Victoria, which had originated its voyage in Latakia Port, Syria and was en route to Port of Alexandria, Egypt (S/AC.50/2011/COMM.30). Three crates of arms were found hidden inside shipping

## B. BACKGROUND

104. According to Member States and published reports, Iran maintains the largest and most diverse ballistic missile arsenal in the Middle East.<sup>29</sup> Iran initiated its missile programme with acquisitions from foreign suppliers, in particular the Democratic People's Republic of Korea. The exact number of missiles in Iran's arsenal, including both indigenously produced and foreign procured, is unclear. There is widespread consensus that Iran has acquired and effectively adapted foreign technology to improve the quality and quantity of its missile arsenal.

105. The strategic missiles forces in Iran are controlled by the Air Force of IRGC. The Aerospace Agency, a subsidiary of Iran's Ministry of Defence, coordinates Iran's ballistic missile program. It controls the work of Shahid Hemmat Industrial Group (SHIG), which is responsible for the production of liquid-fueled rockets, and the Shahid Bakeri Industrial Group (SBIG), which oversees production of solid-propellant rockets, as well as Fajr Industrial group and a number of other groups covering chemical, dual-use ballistic missile related activities.

### **Iran's ballistic missile arsenal**

106. The Panel notes that the following is not intended to be an exhaustive accounting of all missile types, but a discussion of the most prominent in Iran's arsenal.

#### *Liquid propellant missiles*

107. **Shahab 1 and 2:** These missiles were acquired in large numbers from the Democratic People's Republic of Korea and are based on Soviet Scud B and Scud C, as modified by Iran. With assistance from the Democratic People's Republic of Korea, Iran has likely established Shahab missile assembly facilities, which can produce these missiles using imported components. The Qiam missile, which appears to be a modified Shahab 2 was tested on 20 August 2010. The Shahab 1, Shahab 2 and Qiam missiles are liquid propellant systems that vary in range from 300 km, in the case of the Shahab 1, to approximately 500 km for the Shahab 2 and Qiam.

108. **Shahab 3:** Imported from the Democratic People's Republic of Korea, the Shahab 3 is a liquid-propellant missile based on the No-dong system. The Shabab 3 has a range of approximately 900 km.

109. **Ghadr:** This missile is a modification of the Shahab 3 missile. It carries a smaller payload, includes an aluminum airframe, has an improved guidance system and uses a triconic aeroshell geometry that provides greater aerodynamic stability. With the lighter payload, the Ghadr has a range of approximately 1600 km.

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<sup>29</sup> International Institute for Strategic Studies (IISS), "Iran's Ballistic Missile Capabilities: A Net Assessment," London, 7 May 2010. Panel notes that Israel has more sophisticated ballistic missiles, but fewer in number and type.

### *Solid propellant missiles*

110. **Fateh 110:** The Fateh 110, with a range of about 200 km, includes a simple guidance and control system that provides stable orientation during the boost phase of flight to improve accuracy.
111. **Sejil 1 and 2/Sajjil/Ashura:** The Sejil is a solid propellant missile with a range of approximately 2,000 km. Iran announced development of this missile in November 2007; the announcement was accompanied by an unsuccessful test of the Ashura missile. The missile, renamed the Sejil/Sajjil, was tested successfully in November 2008. Subsequent tests of the Sejil or a modified version of the missile (Sejil 2) took place in May, September and December 2009, and February 2011. Experts note that Iran is the only country to have developed a missile with the Sejil's capability, in terms of range and payload, without first having developed a nuclear weapon. Iran's success with the development of the Sejil indicates that it can produce a "multi-stage, aerodynamically stable, guided, solid-propellant missile."<sup>30</sup>
112. Both the modified Shahab 3 and Sejil 2 are believed to be nuclear capable ballistic missiles.

### **Missile launches following the adoption of resolution 1929 (2010)**

113. The following missile launches were publicly announced or confirmed by Iran. In two cases information regarding the launch was provided by a Member State:
- 20 August 2010: Qiam
  - 25 August 2010: Fateh 110
  - October 2010: Sejil/Ashura<sup>31</sup>
  - February 2011: Khalij-Fasr (variant of Fateh 110), Shahab 3 and Sejil<sup>32</sup>

## **C. ANALYSIS**

114. There are conflicting views regarding the impact of sanctions on Iran's missile program, with some experts and Member States highlighting Iran's continued missile launches, which reflect advancing capabilities, and others noting that Iran remains dependent on foreign suppliers for key materials, the supply of which is uncertain under sanctions. Unlike the IAEA in the case of Iran's nuclear programme, there is no access and subsequent reporting by an international organization or State to Iranian missile facilities and subsequent reporting by an international organization or Member State. Most assessments of Iran's ballistic missile activities are based on its missile launches, analysis of procurement efforts, and intelligence information gathered by Member States. The following preliminary analysis by the Panel is based on consultations with Member States and experts.

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<sup>30</sup> IISS Report, p. 110.

<sup>31</sup> The Panel was informed of this launch by a Member State.

<sup>32</sup> The Panel was informed of the launch of the Sejil in February 2011 by a Member State.

### **Space launch vehicle program**

125. Space launch and ballistic missile programmes need similar materials and technology. Iran has, and continues to improve its space launch capabilities, which may help Iran gain experience in developing powerful booster rockets that are necessary for longer range missiles. On 2 February 2009, Iran successfully launched the Safir rocket, which placed the Omid satellite into low-earth orbit.<sup>36</sup> In February 2010, Iran unveiled the Simorgh launch vehicle. Both demonstrate Iran's rapidly developing capabilities in this area.

## **D. CONCLUSION**

126. Iran continues to maintain and develop a diverse and highly operational arsenal of ballistic missiles. It is reliant upon foreign procurement of critical and dual use items, as illustrated in the recent reported case of 18 tons of aluminium powder. Iran's procurement activities are constrained by sanctions, though the degree to which these are having an effect is difficult to measure, as Iran continues to test ballistic missiles and undertake research and development activities.

## **RECOMMENDATIONS FOR NUCLEAR AND MISSILE SECTIONS**

127. The Security Council should encourage Member States to report incidents of attempted procurement of prohibited ballistic missile and nuclear-related items and technology by Iran, in particular if the attempted procurement has been identified or prosecuted by national or local law enforcement authorities. Such incidents provide the Panel with necessary information regarding both patterns of procurement and methods of sanctions circumvention.

128. The Security Council should encourage Member States to take particular care with end-user checks during the licensing process of sensitive dual-use items. Special attention should be paid to these items, including those used in Iran's petrochemical sector that could have applications to prohibited nuclear and ballistic missile activities. Member States should also remain vigilant to the possibility of re-transfer/re-export of key items.

129. The Committee, with the assistance of the Panel, should make publicly available via its website, national lists of critical items, as determined by Member States, related to procurement for prohibited nuclear and ballistic missile activities.

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<sup>36</sup> One Member State informed that Panel that elements of the BM-25 design, specifically the vernier control engines, have been successfully demonstrated in the second stage of Iran's Safir space launch vehicle which launched the Omid satellite in February 2009.

130. The Security Council should recommend to all potential uranium suppliers to Iran that basic standards for material control and accounting be established, and that formal bilateral nuclear cooperation agreements be required. This would not apply to uranium contained in fuel elements for light water reactors.

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

## Treasury Department Targets Iranian-Owned Bank in Germany Facilitating Iran's Proliferation Activities

9/7/2010

TG-847

**WASHINGTON** – The U.S. Department of the Treasury today designated Europäisch-Iranische Handelsbank (EIH), one of the few remaining European banks actively facilitating business with Iranian banks and handling billions of dollars worth of transactions on their behalf. Today's action was taken pursuant to Executive Order (E.O.) 13382, which blocks the property of designated weapons of mass destruction (WMD) proliferators and their supporters, thereby isolating them from the U.S. financial system.

Headquartered in Hamburg, Germany, E H provides financial services to Bank Mellat, Persia International Bank, the Export Development Bank of Iran and Post Bank of Iran, all previously designated by Treasury pursuant to E.O. 13382 and by the European Union.

"EIH has acted as a key financial lifeline for Iran. As one of Iran's few remaining access points to the European financial system, EIH has facilitated a tremendous volume of transactions for Iranian banks previously designated for proliferation," said Under Secretary for Terrorism and Financial Intelligence Stuart Levey. "As international sanctions tighten, Iran will find it increasingly difficult to find banks like E H that will cooperate with it. Treasury will continue to target any bank, wherever located, that supports Iran's nuclear or missile programs."

EIH has facilitated Iran's proliferation activities on a series of occasions. Examples include:

- In 2009, E H and Bank Mellat facilitated nearly \$350,000 of business between a weapons exporter and a subsidiary of WMD proliferator Iran Electronics Industries (EI).
- In 2007, E H and Bank Mellat facilitated a transaction of more than \$250,000 directly between EI and the same arms exporter.
- In a six-month period beginning in late 2007, E H and the Export Development Bank of Iran enabled Iran's missile programs to purchase more than \$3 million of material.
- Also in 2007, almost \$1 million in business involving an Iranian WMD proliferator was facilitated by EIH and Bank Mellat.

EIH also engages in the type of deceptive practices that have become the hallmark of Iranian government-controlled financial institutions. In addition to providing financial services to Iranian WMD proliferators described above, EIH actively obscures Iranian involvement in the process.

Not only has EIH provided financial services to Bank Mellat, the two banks also share leadership. Ali Divandari has served as EIH Deputy Chairman of the Board and Bank Mellat's Chairman and Managing Director and was designated by Treasury under E.O. 13382 in November 2009 and by the EU in July 2010.

Bank Mellat was designated as a supporter of the Atomic Energy Organization of Iran (AEOI) and Novin Energy Company in October 2007. Persia International Bank, a Bank Mellat subsidiary, was also designated in October 2007 for being owned or controlled by Bank Mellat. The AEOI, which reports directly to the Iranian president, is the main Iranian organization for research and development of nuclear technology and manages fissile material production programs. Novin Energy, AEOI's financial conduit, has transferred millions of dollars on behalf of AEOI to entities associated with Iran's nuclear program. Both AEOI and Novin Energy are designated by Treasury under E.O. 13382 and by the United Nations Security Council in Resolution 1747.

The Export Development Bank of Iran was designated by Treasury in October 2008 pursuant to E.O. 13382 for providing or attempting to provide financial services to the Iranian Ministry of Defense and Armed Forces Logistics (MODAF), which was previously designated by the Department of State pursuant to E.O. 13382 in October 2007.

Treasury designated the Post Bank of Iran pursuant to E.O. 13382 in June 2010 for providing financial services to, and acting on behalf of, Bank Sepah since its designation by Treasury in January 2007 for its support and services to Iran's missile industries and subsequent designation by the United Nations Security Council in March 2007.

EIH is the first financial institution designated by Treasury for facilitating Iran's proliferation activities since the Department issued the Iranian Financial Sanctions Regulations on August 16, 2010 to implement the Comprehensive Iran Sanctions Accountability and Divestment Act of 2010. Under these regulations, Treasury may prohibit, or impose strict conditions on, foreign financial institutions' access to the U.S. financial system for facilitating significant transactions or providing significant financial services for a financial institution designated by the U.S. -- such as EIH -- in connection with Iran's WMD proliferation or support for international terrorism. E H is the 17th financial institution designated by the United State for such activities.

The United States has closely consulted with the German government in taking today's action against EIH and is aware that the German government is also taking steps under its national authorities.

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## Security Council

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### Note by the President of the Security Council

In paragraph 2 of resolution 2049 (2012), the Security Council requested the Panel of Experts established pursuant to resolution 1929 (2010) to provide a final report to the Council with its findings and recommendations.

Accordingly, the President hereby circulates the report dated 3 June 2013 received from the Panel of Experts (see annex).

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\* Reissued for technical reasons on 25 June 2013.

13-35543\* (E) 260613



**Annex**

**Letter dated 3 June 2013 from the Panel of Experts established pursuant to resolution 1929 (2010) addressed to the President of the Security Council**

On behalf of the Panel of Experts established pursuant to Security Council resolution 1929 (2010), I have the honour to transmit herewith, in accordance with paragraph 2 of resolution 2049 (2012), the final report on its work.

*(Signed)* Salomé **Zourabichvili**  
Coordinator  
Panel of Experts established pursuant to resolution 1929 (2010)

*(Signed)* Jonathan **Brewer**  
Expert

*(Signed)* Kenichiro **Matsubayashi**  
Expert

*(Signed)* Thomas **Mazet**  
Expert

*(Signed)* Jacqueline **Shire**  
Expert

*(Signed)* Elena **Vodopolova**  
Expert

*(Signed)* Olasehinde Ishola **Williams**  
Expert

*(Signed)* Wenlei **Xu**  
Expert

## Final report of the Panel of Experts established pursuant to resolution 1929 (2010)

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## *Summary*

Concerns about the peaceful nature of the nuclear programme of the Islamic Republic of Iran remain unresolved. The international community is continuing to follow a dual-track approach to addressing the issue through both targeted Security Council sanctions and negotiations.

Negotiations between the Islamic Republic of Iran and the E3+3,\* led by Catherine Ashton, High Representative of the European Union for Foreign Affairs and Security Policy, have continued. A meeting is planned between Lady Ashton and representatives of the Islamic Republic of Iran for 15 May 2013.\*\*

The Islamic Republic of Iran has heightened concerns by announcing plans for further developments in its nuclear programme. It has begun installation of a more advanced centrifuge, the IR-2m, at the Natanz Fuel Enrichment Plant. The International Atomic Energy Agency (IAEA) reports no progress in the clarification of outstanding safeguards issues or issues relating to the possible military dimensions of the Iranian nuclear programme. At the same time, the Islamic Republic of Iran has converted a portion of its 20 per cent enriched uranium to reactor fuel. This may be, in part, an effort to allay international concerns about a growing stockpile of uranium that could be quickly converted to non-peaceful purposes but it is also a demonstration of technical progress.

The Islamic Republic of Iran has launched ballistic missiles, in violation of its Security Council obligations, however no significant technological developments have been reported. There are reports of at least two failed satellite launches over the last year.

During the Panel's current mandate, the Security Council Committee established pursuant to resolution 1737 (2006) received one report of transfers of conventional arms by the Islamic Republic of Iran. This is not an indication that such transfers are not taking place. The Panel takes note of other information from States regarding conventional arms transfers from the Islamic Republic of Iran to other countries.

The economic and currency crisis faced by the Islamic Republic of Iran is widely recognized, including by the Iranian authorities. It is difficult to distinguish the impact of United Nations targeted sanctions aimed at prohibited activities and designated individuals and entities from that of stronger and more comprehensive sanctions imposed by States on a unilateral basis.

The Islamic Republic of Iran continues to seek items for its prohibited activities from abroad using multiple and increasingly complex procurement methods, including front companies, intermediaries, false documentation and new routes. These methods require States to exercise additional vigilance and expertise in order to identify suspicious transactions.

The issue of below-control-threshold procurement poses challenges to States seeking to maintain legitimate trade with the Islamic Republic of Iran while not contributing to its prohibited activities.

Iranian reliance on procurement abroad provides the international community with an opportunity to limit its ability to maintain and expand prohibited activities. Cooperation between countries and outreach from the Committee and the Panel remain high priorities in efforts to promote implementation of the resolutions and prevent circumventing of the sanctions.

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\* The E3+3 countries include France, Germany, the United Kingdom of Great Britain and Northern Ireland, China, the Russian Federation and the United States of America.

\*\* The present report was first submitted to the Security Council Committee on 8 May 2013.

## C. Conventional arms and related materiel

99. This section describes transfers of arms and related materiel by the Islamic Republic of Iran during the reporting period. It reflects, primarily, the Panel's analysis of the incidents on which it has submitted reports to the Committee based on findings from inspections and information provided to it during consultations and obtained from open sources.

### Recent developments

100. During the reporting period only one incident of non-compliance was reported to the Committee concerning conventional arms transfers by the Islamic Republic of Iran. On 14 February 2013 Yemen reported a transfer of conventional arms and related materiel involving the Islamic Republic of Iran. In addition, at the direction by the Committee, the Panel reported a compilation of public statements made by senior Iranian and local officials regarding Iranian arms transfers to Gaza.

101. Some States, other Security Council expert groups and reports available in the public domain suggest continuing arms transfers by the Islamic Republic of Iran within the region and to African States such as Côte d'Ivoire, Kenya and Somalia. The Panel was also informed that the country continues to seek ways and means to transfer arms to groups in the region, despite the limitations imposed by the sanctions measures under the relevant Security Council resolutions.

### Analysis

102. **The *Jihan* (Yemen) case:** the *Jihan* (Yemen) is described in paragraphs 46 to 55 above.

103. **Transfer of explosives to Kenya:** two Iranians have been convicted for importing explosives from the Islamic Republic of Iran in connection with planning terrorism-related activities in Kenya.<sup>24</sup> Information obtained from one State suggests that the Quds Force of the Islamic Revolutionary Guard Corps. was involved in this matter. The Panel has been in contact with Kenyan authorities and will continue to investigate, as appropriate.

104. **Alleged arms transfers to Gaza:** the Panel reported to the Committee a compilation of public statements on arms transfers to Gaza. The Panel noted that senior Iranian officials, including the Commander-in-Chief of the Islamic Revolutionary Guard Corps.<sup>25</sup> have publicly stated that they provided military and financial assistance to non-State actors in Gaza. The recipients acknowledged receiving weapons and rockets from the Islamic Republic of Iran in November 2012. The Panel was requested to continue monitoring this issue.

105. During its visit to Israel, the Panel examined the remnants of several types of rockets that had recently landed in Israeli territory. The physical markings of the remnants appeared similar to those of the 107 mm rockets observed by the Panel

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<sup>24</sup> BBC, "Iranians jailed for life in Kenya over terror charges", 6 May 2013.

<sup>25</sup> The predecessor, Major General Yahya Rahim Safavi, is on the Consolidated List of Individuals and Entities under reference number I.37.E.1.

during an inspection of a previous violation by the Islamic Republic of Iran. The Panel notes that further technical analysis is necessary to confirm these similarities and the origin. The Panel has been informed by one State that reduction of media reports of arms transfers to Gaza is the result of disabling and closing tunnels.

106. **Alleged arms transfers to the Syrian Arab Republic via Iraqi airspace:** States have reported that the Islamic Republic of Iran is continuing to send arms and related materiel to the Syrian Arab Republic via Iraqi airspace. In particular, two States reported that in 2012 the Islamic Republic of Iran used Iran Air and Mahan Air to transport arms from Teheran to Damascus.<sup>26</sup> The Committee has not received reports of such transfers. Iraqi authorities informed the Panel that their inspection of two aircraft on their way from the Islamic Republic of Iran did not confirm such transfers. Media have reported a third inspection but also without any arms being found.<sup>27</sup>

107. States also reported to the Panel attempts by the Islamic Republic of Iran to transfer raw material, spare parts and technology in order for the recipient countries to later assemble and produce armaments.

108. **Arms and related materiel in African States:** the Panel has been following the issue of Iranian arms and ammunition found in African States, in particular in:

(a) **Sudan:** information from two States indicates that alleged Iranian arms transfers to the Sudan were ongoing in the last few years. These transfers were said to be part of a memorandum of understanding on military cooperation concluded in 2007 between the two States. An air raid in January 2012 destroyed a factory in southern Khartoum that was allegedly engaged in manufacture or assembly of weapons under the same memorandum of understanding;

(b) **Somalia:** Iranian arms transfers to Al-Shabab in Somalia have also been widely reported;<sup>28</sup>

(c) **Côte d'Ivoire:** the Group of Experts on Côte d'Ivoire, in its 2013 final report, described ammunition found that was "similar to Iranian production".<sup>29</sup> The Group could not determine when the ammunition was transferred to Côte d'Ivoire or by whom. The report includes photographs of ammunition and packaging, in particular green plastic bags, some of which appear visually similar to those seen by the Panel during its previous inspections.

109. The Panel continues to seek additional information and evidence to confirm these allegations independently.

## D. Procurement methods

110. The following provides the Panel's assessment of the methods and strategies used by the Islamic Republic of Iran for the procurement of items that can be used

<sup>26</sup> One of these States reported that from October 2011 to October 2012 the frequency of such flights diminished but at the same time flights between these airports and Baghdad Al Muthanna Airport increased.

<sup>27</sup> "Iraq inspects Iranian Cargo Plane Bound for Syria", Agence France-Presse, 15 April 2013.

<sup>28</sup> "Iran denies shipping arms to Islamist militants in Somalia", Reuters, 14 February 2013.

<sup>29</sup> S/2013/228, para. 49.

146. A number of States have shared information regarding how procurement may be financed. Such methods include cash smuggling,<sup>33</sup> working with banks that do not implement unilateral financial sanctions, *hawala* (particularly in neighbouring countries), increased use of money exchange businesses (especially in known transit hubs in the region), the use of Iranian banks not subject to the SWIFT embargo, the use of gold and new payment methods.<sup>34</sup> One State reported that it was investigating a substantial sum transferred apparently illicitly from an Iranian-owned local account to banks in third countries.

147. The Panel notes media reports asserting that two private sector firms have acknowledged trading commodities, in particular aluminium oxide (also known as alumina), with the Islamic Republic of Iran. Some of the aluminium oxide is alleged to have been supplied to an entity in the country, the Iranian Aluminium Company (Iralco), which is associated with procurement for the Iranian nuclear programme.<sup>35</sup> The aluminium oxide was swapped with the firms for processed aluminium from the Islamic Republic of Iran, which was reportedly able to retain any surpluses from the exchange. If confirmed, such transactions may reflect an avenue for procurement of a raw material in a manner that circumvents sanctions. The companies involved have stated that they have halted the transactions.

148. In exercising vigilance over transactions related to the Islamic Republic of Iran, banks are increasingly seeking additional documentation to establish the legitimacy of the transfers. Use of forged documents has been cited repeatedly by States as a way of circumventing banking system controls, which undermines due diligence.

149. The complexities of rigorous implementation of United Nations financial sanctions on Iran have been addressed by FATF. FATF has introduced standards on financing of proliferation in connection with Security Council resolutions (fourth round of FATF recommendations, February 2012). FATF is also preparing guidance on implementation of activity-based financial sanctions and vigilance provisions of Security Council resolutions.

### **Safety implications of concealment practices**

150. As recorded in the Panel's previous reports, the Islamic Republic of Iran continues to transport concealed and undocumented shipments of arms and related materiel by sea. This is a dangerous practice which puts ports and sea lanes at risk. Several States have alleged the use by the Islamic Republic of Iran of civil aircraft for arms transport.

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<sup>33</sup> In addition to cash smuggling, two States also said that the Islamic Republic of Iran transferred cash into their jurisdictions by requiring Iranian tourists to bring their full personal allowance with them. Iranian officials were observed collecting these funds from individual tourists and then using exchange bureaux to buy dollars or euros, which they then transferred out of the country.

<sup>34</sup> For example, prepaid cards, mobile telephone transactions and Internet banking, as discussed at the meeting of the Association of Certified Anti-Money Laundering Specialists in Dubai on 20 and 21 January 2013.

<sup>35</sup> Rupert Neate, "Glencore traded with Iranian supplier to nuclear programme", *The Guardian*, 21 April 2013; and Reuters, "Trafigura says supplied Iranian firm linked by European Union to atomic work", 4 March 2013.



## Security Council

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### Note by the President of the Security Council

In paragraph 2 of resolution [2105 \(2013\)](#), the Security Council requested the Panel of Experts established pursuant to resolution [1929 \(2010\)](#) to provide a final report to the Council with its findings and recommendations.

Accordingly, the President hereby circulates the report dated 5 June 2014 received from the Panel of Experts (see annex).

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**Annex**

**Letter dated 5 June 2014 from the Panel of Experts established pursuant to resolution 1929 (2010) addressed to the President of the Security Council**

On behalf of the Panel of Experts established pursuant to Security Council resolution 1929 (2010), I have the honour to transmit herewith, in accordance with paragraph 2 of resolution 2105 (2013), the final report on its work.

(Signed) Salomé **Zourabichvili**  
Coordinator  
Panel of Experts established pursuant to resolution 1929 (2010)

(Signed) Jonathan **Brewer**  
Expert

(Signed) Chunjie **Li**  
Expert

(Signed) Thomas **Mazet**  
Expert

(Signed) Jacqueline **Shire**  
Expert

(Signed) Kazuto **Suzuki**  
Expert

(Signed) Elena **Vodopolova**  
Expert

(Signed) Olasehinde Ishola **Williams**  
Expert

## Final report of the Panel of Experts established pursuant to resolution 1929 (2010)

### *Summary*

The Panel submits this report less than two months before the deadline set by the Joint Plan of Action for the conclusion of a comprehensive agreement between the Islamic Republic of Iran and its counterparts in the E3+3,<sup>a</sup> with expectations high that a comprehensive solution is within reach. The prospect of such a solution has dramatically shifted the context in which the Panel works. The Joint Plan of Action, which entered into force in January 2014, provides the Islamic Republic of Iran with limited, targeted relief from certain unilateral or multilateral sanctions. The International Atomic Energy Agency has reported that, to date, the Islamic Republic of Iran has fulfilled its “voluntary measures” agreed to under the Joint Plan of Action.

A challenge for States during this period of intense negotiation and, should it occur, implementation of a comprehensive solution, will be to maintain clarity with respect to State obligations under existing Security Council sanctions. Some States have indicated to the Panel a degree of uncertainty as to whether Security Council resolutions concerning the Islamic Republic of Iran remain fully in force. One source of uncertainty concerns the status of obligations regarding procurement related to uranium enrichment by the Islamic Republic of Iran, should such activities continue under a comprehensive solution.

The Panel investigated more than two dozen cases during this mandate involving alleged violations of resolution 1929 (2010) and prior resolutions. The majority of incidents concern the attempted procurement of dual-use items.

Most of those items, with some exceptions, fall below established control thresholds. Their identification remains a challenge to the implementation of Security Council sanctions intended to target Iranian procurement of goods and materials for prohibited activities. On the basis of the cases investigated by the Panel and information made available by States, it is increasingly difficult for authorities to identify links between below-threshold items and prohibited end users or end uses in the Islamic Republic of Iran. This may be a function of more sophisticated procurement strategies on the part of the Islamic Republic of Iran, which has developed methods of concealing procurement, while expanding prohibited activities. Such methods can also be used by the Islamic Republic of Iran to procure and finance legitimate trade, which further complicates the efforts of States to identify illicit procurement.

The Islamic Republic of Iran has continued to engage in ballistic missile activities. It is reported to have conducted a number of ballistic missile test launches over the past year, which are a violation of paragraph 9 of resolution 1929 (2010). It is also developing its launch capabilities: a new launch site near the city of Shahrud was identified. At the same time, the Islamic Republic of Iran decided to forgo its 2013 Great Prophet military exercises, during which numerous ballistic missiles have traditionally been launched.

Member States and media have continued to report allegations of ongoing arms transfers by the Islamic Republic of Iran. During the current mandate, the Panel investigated one case of an attempted transfer by the Islamic Republic of Iran of conventional arms and related materiel. The actions of the Islamic Republic of Iran in this respect stand in contrast to the apparent restraint it has shown in other areas of prohibited activities.

Several States have conveyed to the Panel their assessment that there has been a decrease in the number of detected attempts by the Islamic Republic of Iran to procure items for prohibited programmes, and related seizures, since mid-2013. While the Panel cannot confirm this development independently, because of delays between incidents and their subsequent reporting to the Committee, it is possible that this decrease reflects the new political environment in the Islamic Republic of Iran and diplomatic progress towards a comprehensive solution.

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<sup>a</sup> The E3+3 countries include France, Germany, the United Kingdom of Great Britain and Northern Ireland, China, the Russian Federation and the United States of America.

### Ballistic missile launches

14. On 10 February 2014, the Islamic Republic of Iran announced the successful testing of the Barani ballistic missile, which was described by an Iranian official as a “new generation of long-range ballistic missiles carrying multiple re-entry vehicle payloads”.<sup>15</sup> The Minister of Defence, Hossein Dehghan, said it was capable of “destroying massive targets and [...] multiple targets”.<sup>16</sup>

15. The Joint Plan of Action makes no reference to the Islamic Republic of Iran’s ballistic missile activities.

### 3. Transfers of conventional arms and related materiel

16. Despite sanctions prohibiting such activities, the Islamic Republic of Iran has repeatedly asserted its right to transfer arms and related materiel abroad. Such transfers are substantiated by numerous media reports and statements by concerned States and recipient groups.

17. Under President Hassan Rouhani, the Islamic Republic of Iran has continued a policy of military cooperation, termed “defence diplomacy”.<sup>17</sup> Such cooperation has reportedly been pursued with a number of countries, although it is not possible for the Panel to determine whether transfers of arms are involved.<sup>18</sup> There has recently been media reporting regarding an alleged agreement dated November 2013 under which the Islamic Republic of Iran would provide Iraq with close to \$200 million in arms and related materiel. Iraqi authorities firmly denied this allegation in writing to the Committee.

18. The war in the Syrian Arab Republic has intensified the demand for arms and related materiel on all sides to the conflict; the Islamic Republic of Iran’s military support for the current government in the Syrian Arab Republic is well documented.<sup>19</sup> The war has also created additional opportunities for the Quds Force of the Islamic Revolutionary Guard Corps (IRGC) to be even more active in the

<sup>15</sup> Jeremy Binnie, “Iran announced new missile tests”, *IHS Jane’s Defence Weekly*, 13 February 2014.

<sup>16</sup> *Ibid.*

<sup>17</sup> “Iran’s president urges Defence Ministry to export weapons”, TREND News Agency (Azerbaijan), 1 March 2014.

<sup>18</sup> See “Sultanate, Iran sign MOU on defence cooperation”, *Times of Oman*, 18 September 2013; “Iran Revolutionary Guard training new Zimbabwe elite force”, *The Telescope News*, 16 April 2014; “Iran-Tajikistan to sign Defence MOU”, TREND News Agency (Azerbaijan), 13 May 2010; “VP: Iran ready to expand military cooperation with Azerbaijan”, Tasnim News, 15 April 2014; “India welcomes defence cooperation with Iran”, Press TV, 20 July 2013; “Defence cooperation agreed with Qatar”, Payvand Iran News, 25 February 2010; “Afghanistan strategic cooperation”, NSBC International, 10 December 2013; “Armenia, Iran discuss military cooperation”, TREND News Agency (Azerbaijan), 8 February 2013.

<sup>19</sup> See “Iran boosts military support to Syria”, Reuters, 21 February 2014; “Azerbaijan defence Minister meets with chief of Iranian armed forces”, APA.AZ, 15 April 2014; “Iran to continue supporting Syria”, *Middle East Monitor*, 17 February 2014; “Supplying the war in Syria”, Strategypage.com, 26 February 2014; Will Fulton, Joseph Holliday and Sam Wyer, *Iranian Strategy in Syria* (Institute for the Study of War, May 2013); “Who is supplying weapons lifeline to Assad”, BBC News, 14 June 2013; “Iran, Iraq, Syria sign agreement to boost transit cooperation”, Press TV, 13 January 2013; Ian Black, “Iran confirms it has forces in Syria and will take military action if pushed”, *The Guardian* (London), 16 September 2012.

country.<sup>20</sup> One member of the Panel notes that the content of this paragraph is not directly related to the Panel's mandate.

## I. Assessment and analysis of prohibited Iranian activities

### A. Summary of inspections of dual-use items

19. The Panel investigated 30 reported cases during the current mandate.<sup>21</sup> They are listed in the tables in annex II. Some of the Panel's inspection reports are pending. The main points from the Panel's investigations of those cases are discussed below. With one exception, the shipments were all interdicted in third countries.

20. All of the items are dual use in nature, and were interdicted by States on the basis of intelligence information that they were intended for use in the Islamic Republic of Iran's prohibited activities. The majority of cases are reported to be nuclear-related, a few having reported applications in the ballistic missile programme. Three of the items are controlled under the lists cited in the relevant resolutions; the others fall below control thresholds and were interdicted on the basis of catch-all provisions regarding end use or end user. With the exceptions of the items described in paragraphs 21 to 24 below, the Panel was not able to develop further information regarding possible relationships to entities designated under Security Council resolutions or prohibited activities. The cases underscore the challenges for States in identifying sensitive dual-use items that are not listed but could contribute to prohibited activities.

#### Carbon fibre case

21. On 6 June 2013, a State reported to the Committee that, in December 2012, authorities intercepted and seized a shipment of carbon fibre in transit aboard the *Shahraz*, en route to Bandar Abbas, Islamic Republic of Iran (annex II, table 2, number 24; see figure I).

22. The *Shahraz* was carrying, inter alia, a consignment of 1,800 bobbins of carbon fibre, weighing a total of 7,200 kg. The carbon fibre was identified in packing materials and on documentation as T700SC-12000, a type of fibre manufactured by the Japan-based company Toray. Shipping documents identified the consignee as Hamidreza Afzalian Shirvan, Unit 2, No. 9 Biston 3 Alley, Biston St., Dastgheib Blvd., Mashad, Islamic Republic of Iran. According to commercial shipping databases, the *Shahraz's* registered owner is recorded as Kish Roaring Ocean Shipping Company PJS (Private Joint Stock) of the Islamic Republic of Iran. The Panel's research found the address and fax number of the shipper identified on the consignment's bill of lading to be associated with South Shipping Line Iran (SSL), which is designated under Security Council resolution [1929 \(2010\)](#).

<sup>20</sup> Will Fulton, Joseph Holliday and Sam Wyer, *Iranian Strategy in Syria* (Institute for the Study of War, 2013); "IRGC Top Commander: transfer of experience Iran's only military aid to Syria", Fars News, 21 April 2014.

<sup>21</sup> The confidential inspection and investigation reports submitted by the Panel since June 2013 are listed in annex XI.

## C. Summary of inspection and investigations of conventional arms and related materiel

39. During the current period there was only one officially reported case of a transfer by the Islamic Republic of Iran of conventional arms and related materiel and one case on which the Panel was briefed, but which was not formally reported to the Committee.

### Case 1: seizure of arms aboard the *Klos C*

40. On 5 March, the Panamanian-flagged cargo vessel, *Klos C*, was interdicted in the Red Sea by Israeli naval authorities. Cargo found aboard the vessel included 40 M-302 rockets, 181 120-mm mortars and approximately 400,000 rounds of ammunition. The cargo was concealed in shipping containers among bags of cement. According to Israeli authorities, 100 containers, including those containing the armaments, were loaded on to the vessel in the Iranian port of Bandar Abbas, and 50 additional containers were loaded aboard the vessel in the Iraqi port of Umm Qasr. Iraqi officials informed the Panel that the vessel was empty when it arrived in Umm Qasr. The Panel has conducted an inspection of the seized items, and received documentation from relevant authorities. It is continuing to investigate this matter and will submit its report to the Committee at the earliest possible date.

### Case 2: update regarding seizure of high explosives reported by Kenya

41. The Panel was briefed by Kenyan authorities, analysed court proceedings, and received information from another Member State regarding the discovery in June 2012 of a cache of RDX explosives transferred to Kenya. The case involved two Iranians, one of whom claimed a connection to IRGC, and a third individual based in the Islamic Republic of Iran allegedly connected to IRGC and identified as the operation's support.<sup>27</sup> Following their arrest, one of the Iranians led the Kenyan authorities to the cache of explosives consisting of 15 kg of RDX buried on a Mombasa golf course.<sup>28</sup> According to a State, it is likely that the explosives were brought into the country aboard a vessel of the Islamic Republic of Iran Shipping Lines (IRISL) that had docked in Mombasa.<sup>29</sup> This allegation has not been further substantiated. The two Iranians were sentenced in May 2013 to life imprisonment in Kenya for possession of explosives. No further information or follow-up related to the case is expected.

## D. Analysis of developments in conventional arms transfers

### Ongoing arms transfers

42. During the current mandate, only one incident involving the transfer of conventional arms was formally reported. This does not necessarily reflect an actual decline in the quantity of arms being transferred by the Islamic Republic of Iran, but

<sup>27</sup> Ahmad Abolfathi Mohammed and Seyed Mansour Mosavi. In the Chief Magistrate's Court at Milimani Law Courts, criminal case No. 881 of 2012.

<sup>28</sup> The police officers testifying at the trial indicated that the total amount of explosives brought in the country was close to 100 kg.

<sup>29</sup> Kenyan authorities identified two Islamic Republic of Iran Shipping Lines vessels having docked at Mombasa at the same time: M/V *Pardis* (IMO 9284142) and M/V *Salis* (IMO 9283021).

could be the result of a number of factors, including the country's need to use supply routes in a manner that is less likely to result in interdictions, better concealment methods, or the lack of vigilance in other States. Member States and the media continue to report arms transfers from the Islamic Republic of Iran, including to the Syrian Arab Republic, Gaza, the Sudan and Bahrain.<sup>30</sup>

43. Several States and some local authorities in Iraq indicated to the Panel that a likely supply route of arms from the Islamic Republic of Iran to the Syrian Arab Republic involves the use of Iraqi territory, primarily by air, but also by land. Iraqi government officials have consistently denied such allegations and informed the Panel that they make regular inspections of flights between the Islamic Republic of Iran and the Syrian Arab Republic. According to Iraqi officials, from March 2012 to the present, 64 such checks were conducted and turned up no evidence of prohibited cargo.

#### **Alleged transfers to Bahrain**

44. In addition to the cases described above, the Panel is aware of other incidents of alleged arms transfers by the Islamic Republic of Iran. In one, Bahrain's Coast Guard and police jointly intercepted a vessel in Bahraini coastal waters, seizing assorted explosive materials, including what was described as Iranian-produced bombs.<sup>31</sup> One Bahraini official described the incident as an "attempt to smuggle explosives and firearms" into Bahrain, and attributed the origin of this attempt to the Islamic Republic of Iran on the basis of statements made by the suspects as well as markings on some of the items seized.

45. Bahrain's chief prosecutor gave a statement describing the Islamic Republic of Iran's role in the incident. Five of the arrested "also confessed that they had travelled to Iran and received training by Iranian personnel at Iranian Revolutionary Guard camps at various locations in Iran. They also confessed having received sums of money after training. Their confessions also included detailed accounts of how they received the seized explosives, guns, munitions and equipment from a boat on the high seas manned by an Iraqi crew, and stated that they reached that boat by using coordinates which were given to them, all upon the instructions of the leader Ali Al-Moussawi and other group leaders in Bahrain and abroad. Those instructions also included concealing the smuggled weapons, explosives and tools until the zero hour, to be used at that time in carrying out their plans, targeting vital sovereign and security installations and assassinating certain figures".<sup>32</sup>

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<sup>30</sup> Daoud Shihab, media spokesman for the Palestinian Islamic Jihad (May 2013), said "All the weapons in Gaza are provided by Iran be they weapons intended for Hamas Movement or for the PIJ"; quoted in Asmaa al-Ghoul, "Palestinian Islamic Jihad: Iran supplies all weapons in Gaza", *Al-Monitor*, 14 May 2013; Sheikh Khalid bin Khalifa al Khalifa, Chairman of the Suhra Council's Committee on Foreign Affairs, Defence and National Security of Bahrain, said "Iran's export of destruction and horror to Bahrain" signals Iran's "intent to undermine the security and stability of the region in order to advance its security interests"; quoted in Mohamed al Jayousi, "Iran's weapons smuggling in Gulf region undermines stability", *Central Asia Online*, 23 January 2014.

<sup>31</sup> Habib Toumi, "Bahrain foils weapons smuggling attempt", *Gulf News*, 30 December 2013.

<sup>32</sup> "Public prosecution issues statement on recently foiled terror arrests", Bahrain News Agency, 2 January 2014.



## Security Council

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### Note by the President of the Security Council

In paragraph 2 of resolution 2159 (2014), the Security Council requested the Panel of Experts established pursuant to resolution 1929 (2010) to provide a final report to the Council with its findings and recommendations.

Accordingly, the President hereby circulates the report dated 1 June 2015 received from the Panel of Experts (see annex).

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\* Reissued for technical reasons on 4 June 2015.

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## Annex

### **Letter dated 1 June 2015 from the Panel of Experts established pursuant to Security Council resolution 1929 (2010) addressed to the President of the Security Council**

The Panel of Experts established pursuant to resolution 1929 (2010) has the honour to transmit herewith, in accordance with paragraph 2 of resolution 2159 (2014), the final report on its work.

The report was provided to the Security Council Committee established pursuant to resolution 1737 (2006) on 24 April 2015 and was considered by the Committee on 1 June 2015.

The Panel would appreciate it if the present letter and its annex were brought to the attention of the members of the Security Council and issued as a document of the Council.

*(Signed)* Salomé **Zourabichvili**  
Coordinator  
Panel of Experts established pursuant to  
Security Council resolution 1929 (2010)

*(Signed)* Mowaffaq **al-Refai**  
Expert

*(Signed)* Jonathan **Brewer**  
Expert

*(Signed)* J. Christian **Kessler**  
Expert

*(Signed)* Chunjie **Li**  
Expert

*(Signed)* Thomas **Mazet**  
Expert

*(Signed)* Kazuto **Suzuki**  
Expert

*(Signed)* Elena **Vodopolova**  
Expert

## Final report of the Panel of Experts established pursuant to resolution 1929 (2010)

### *Summary*

The current mandate of the Panel is concurrent with the continuing implementation and extension of the previously agreed Joint Plan of Action, which will end on 30 June 2015, a few days before the end of the Panel's mandate on 9 July 2015.

The present report is being delivered shortly after the Islamic Republic of Iran and the E3+3 countries,<sup>a</sup> on 2 April 2015, "reached solutions on key parameters of a Joint Comprehensive Plan of Action" and while negotiations are continuing towards final agreement.

The Security Council, in a new resolution, will endorse a final agreement and will have to address existing Security Council sanctions which have been at the centre of recent negotiations. To date, all Security Council sanctions have remained fully in effect. It has been, *inter alia*, the task of the Panel to remind Member States of the continuing application of Security Council sanctions and their obligations under the resolutions. It is to be noted that, despite the ongoing negotiations and high expectations of a final agreement to be reached, the mandate period has not been marked by a relaxing of United Nations sanctions implementation, nor a wavering of political will by the Member States to act in accordance with Security Council obligations. Such commitment by Member States has exerted a definite influence in reaching the negotiated result.

The Islamic Republic of Iran has complied with its safeguards obligations, implemented its commitments under the Joint Plan of Action, and worked with the International Atomic Energy Agency (IAEA) on Framework for Cooperation matters.

As part of the Joint Plan of Action, concomitant with IAEA confirmation that the Islamic Republic of Iran was fulfilling the "voluntary measures" agreed in this format, some unilateral sanctions have been suspended, providing limited relief to the Islamic Republic of Iran's economy.

The Panel has not identified cases of procurement for activities prohibited under Security Council resolutions that occurred during the current mandate, nor have any such cases being reported by Member States.

However, the following developments have been noted in other areas covered by the Security Council resolutions, and not addressed in the Joint Plan of Action:

During the current mandate, the Islamic Republic of Iran has not launched or unveiled any new types of medium-range ballistic missiles. However, the Fajr satellite was launched by a Safir space launch vehicle and the Islamic Republic of Iran's annual Great Prophet military exercise reportedly involved the Fateh 110 ballistic missile.

The Islamic Republic of Iran's arms transfers have actively continued, as reflected in numerous media reports, raising concerns among some Member States. The Panel notes that no State has formally reported an actual case of non-compliance although one State has informed the Panel of an offer by the Islamic Republic of Iran.

Travels to neighbouring countries of a prominent designated Iranian individual, amply covered by the media, have been duly noted by the Panel. Nevertheless, no violation of the travel ban as such has been formally reported to the Committee.

The Panel has observed that the private sector remains in compliance. Although many companies, in the expectation of increased commercial opportunities in the near future, are exploring possibilities, companies have limited themselves to preliminary understandings. This indicates that the private sector remains risk adverse, mindful of obligations and of reputation.

The overall lack of reporting is a distinctive feature of this mandate period. It might be linked, inter alia, to a decrease in the Islamic Republic of Iran's prohibited activities and restraint on the part of Member States so as not to affect the negotiations process.

Given the ongoing negotiations, the Panel refrains from additional recommendations to those already proposed in the Panel's previous final reports.<sup>b</sup>

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<sup>a</sup> The E3+3 countries include France, Germany, the United Kingdom of Great Britain and Northern Ireland, China, the Russian Federation and the United States of America.

<sup>b</sup> These are to be found in the 2011 final report, in S/2012/395, in S/2013/331 and in S/2014/394.

14. During the reporting period, the Islamic Republic of Iran provided an updated design information questionnaire for the Arak reactor and agreed to a “safeguards approach” for the reactor. No “further advances” have been undertaken at Natanz, the Fordow fuel enrichment plant or the Arak reactor, including no manufacture and testing of fuel for the Arak reactor. Information and managed access have been provided for the declared uranium mining and milling activities.

15. The Islamic Republic of Iran provided, in relation to enhanced monitoring, plans for nuclear facilities and a description of each building at each nuclear site; descriptions of the scale of operations being conducted for each location engaged in specified nuclear activities; and information on uranium mines and mills and on source material.<sup>12</sup>

#### **Framework for Cooperation and possible military dimensions**

16. Among the measures agreed between the Islamic Republic of Iran and IAEA, all but two appear to have been completed. Those two “practical measures” concern “possible military dimensions” of past activities. The first relates to allegations of large-scale high explosives experimentation at Parchin. The second relates to studies, reported in scientific publications, regarding neutron transport and associated modelling and calculations and their alleged application to compressed materials. Continuing discussions between IAEA and the Islamic Republic of Iran have yet to resolve either issue.

#### **Safeguards**

17. With respect to implementation of safeguards under the Non-Proliferation Treaty in the Islamic Republic of Iran, IAEA reported in February that it “continues to verify the non-diversion of declared nuclear material at the nuclear facilities and locations outside facilities<sup>13</sup> declared by Iran under its safeguards agreement”.<sup>14</sup> More specifically, with respect to each declared uranium enrichment facility, the Agency concludes that the facility “has operated as declared by Iran in the relevant design information questionnaire”.<sup>15</sup> However, the Agency continues to state that it cannot at this time confirm completeness.<sup>16</sup>

### **C. Ballistic missiles**

#### **Ballistic missile programme**

18. During the current mandate, the Islamic Republic of Iran did not report the unveiling or testing of new types of ballistic missiles, nor were tests of known medium-range ballistic missiles identified by the Panel. Iranian officials and media, while usually keen to publicize their achievements in that field, have not been reporting any new ballistic missile developments.

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<sup>12</sup> Ibid.

<sup>13</sup> A technical term. Locations outside facilities are sites that do not meet the IAEA definition of a nuclear facility but possess nuclear material.

<sup>14</sup> IAEA, “Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran” (GOV/2105/15, 19 February 2015, para. 71).

<sup>15</sup> Ibid, para. 38.

<sup>16</sup> Ibid, para. 71.

19. The Islamic Republic of Iran possesses two variants of ballistic missile that, according to experts, are believed to be potentially capable of delivery of nuclear weapons. One, the Ghadr missile, is a variant of liquid-fuel Shahab-3, with a range of approximately 1,600 km. The other is the solid-fuel Sejil missile, with a range of about 2,000 km. Both types were last launched in 2011.<sup>17</sup>

20. The Panel took note of the Great Prophet 9 exercise held from 25 to 27 February 2015 in the Strait of Hormuz. According to media reports, “a number of the IRGC cruise and two ballistic missiles were fired”, in particular, “a mobile naval target was destroyed by Fateh-110 and Zelzal missiles on a deserted island 270 km away from the war games zone”.<sup>18</sup> The Fateh-110 is a solid-fuel short-range ballistic missile with a range of around 200 km.<sup>19</sup> It is possible that one of the objectives of the exercise was to continue improvement of the accuracy of existing missiles.<sup>20</sup> Medium-range ballistic missiles, such as Shahab-3 modifications, traditionally part of these exercises, were not reported to be involved this time.

21. The Panel also notes recent published photographs<sup>21</sup> of the construction site at the Shahrud launch site discussed in its last final report.<sup>22</sup> On the basis of the photographs, the Panel notes that no significant progress appears to have been made in the ongoing construction at the site (see figure I).

<sup>17</sup> See the Panel’s final report of 2011 (paras. 108, 109, 111 and 113).

<sup>18</sup> “Iran’s IRGC wraps up first day of major maneuvers in Persian Gulf”, *Press-TV*, 25 February 2015; see also “IRGC missiles destroy mock aircraft carrier in Persian Gulf”, *Fars News Agency*, 25 February 2015; “Iran to test-fire 20 new missiles in Persian Gulf”, *Press-TV*, 25 February 2015; Arask Karami, “IRGC: naval exercise also ‘media-psychological’ operation”, *Al-Monitor*, 2 March 2015; and Franz-Stefan Gady, “In A2/AD showcase, Iranian Navy sinks Nimitz carrier mock-up”, *The Diplomat*, 28 February 2015.

<sup>19</sup> Panel’s final report of 2011 (para. 110).

<sup>20</sup> During the past few years, the Islamic Republic of Iran has stated that it was working on raising Fateh-110 missiles’ high-precision/accuracy. The Islamic Republic claims that some Fateh-110 modifications already have a range of over 300 km and can accurately hit the targets. See also “Iran test-fires upgraded Fateh-110 missiles”, *Jane’s Intelligence Weekly*, 6 August 2012.

<sup>21</sup> The site, though announced by the Islamic Republic of Iran and designed for launches of space launch vehicles, does not yet have the storage facility for liquid-fuel missiles that allows analysts to suggest that it could be constructed for launches of solid-fuel missiles. See Norbert Brügge’s blog for recent pictures, “Satellite images from Iran’s missile launch complex near Shahrud”, 13 April 2015, available from [http://www.b14643.de/Spacerockets\\_1/Diverse/Shahrud\\_Missile-Range/](http://www.b14643.de/Spacerockets_1/Diverse/Shahrud_Missile-Range/); and, for comparison, see J. S. Bermudez and J. Binnie, “Second Iranian space-launch center revealed”, *IHS Jane’s Defense Weekly*, 7 August 2013.

<sup>22</sup> S/2014/394, para. 52.

Figure 1  
Aerial images of the Shahrud launch site



Source: Digital Globe.

### Space programme

22. On 9 January 2015, President Rouhani announced that all Iranian space activities were moved from the Office of the Presidency to the Ministry of Communications and Information Technology.<sup>23</sup> This move appears to be aimed at restructuring the space programme with more practical and realistic objectives, in particular regarding satellite launches.<sup>24</sup>

### Satellite launch

23. On 2 February 2015, the Islamic Republic of Iran reportedly launched into Earth orbit an experimental satellite Fajr. Its prototype, together with three other satellites, was unveiled on 7 February 2011.<sup>25</sup> This was the first announced successful launch since 2012 (four satellites were launched in 2009, 2011 and 2012,<sup>26</sup> and another two satellite launch attempts in 2012 reportedly failed,<sup>27</sup> followed by several announcements of launches). The satellite was launched from a military base in northern Semnan province seemingly by a two-staged Safir-1B space launch vehicle based on the Shahab-3 ballistic missile (see figure II).<sup>28</sup>

<sup>23</sup> Arash Karami, "Rouhani moves space program back to ministry", *Al-Monitor*, 5 February 2015.

<sup>24</sup> The Iranian Minister of Communications and Information Technology, Mahmoud Vaezi, announced "the country's plans to widen its home-grown space program to make more applied and national uses of the technology". He announced the end of the first 10-year development plan which "mostly focused on testing" and the beginning of the new second 10-year plan which "will make more tangible uses of the space technology". See "Science Minister: Iran's aerospace industry readying for long jump", *Fars News Agency*, 10 March 2015.

<sup>25</sup> "Safir Data Sheet", *Space Launch Report*. Last updated on 6 February 2015. Available from [www.spacelaunchreport.com/safir.html](http://www.spacelaunchreport.com/safir.html).

<sup>26</sup> See the Panel's final reports of 2012 (S/2012/395, para. 84) and 2013 (S/2013/331, para. 89).

<sup>27</sup> See S/2013/331, para. 87. See also "For third time in two years Iran fails to launch satellite", *Times of Israel*, 27 April 2013; and "Iran suspected of launch failure in February", *Spaceflight101*, 20 March 2013.

<sup>28</sup> Stephen Clarck, "Iranian satellite successfully placed in orbit", *Spaceflight now*, 2 February 2015. See also the description of Fajr on *Spaceflight101*, last updated in February 2015, available from [www.spaceflight101.com/re-entry-february-2015.html](http://www.spaceflight101.com/re-entry-february-2015.html).

Figure II  
**Launch of a Fajr satellite on a Safir-1B space launch vehicle; video captured on 2 February 2015**



Source: Arms control; [www.armscontrol.org/blog/ArmsControlNow/2015-01-26/Irans-Overdue-ICBM](http://www.armscontrol.org/blog/ArmsControlNow/2015-01-26/Irans-Overdue-ICBM).

24. The Fajr satellite weighs about 50 kg and was designed for collecting imagery. Although it initially entered orbit,<sup>29</sup> doubts about its success were confirmed by the fact that, despite a planned 18 months in orbit, the satellite re-entered Earth atmosphere after 23 days.<sup>30</sup>

25. The details of the flight of the space launch vehicle and technical specifications of the satellite suggest that the launch of the Safir was not, in this case, aimed at, but could contribute to, the development of a ballistic missile capable of delivering nuclear weapons. In this regard, the Panel notes that the details of this case present similarities with the launch of another satellite by a Safir space launch vehicle in 2011, which was reported by Member States, analysed by the Panel and described in its 2012 final report.<sup>31</sup>

<sup>29</sup> The “tracking data from US Air Force Space Surveillance Network indicated an object associated with the launch in an orbit with a perigee of about 139 miles and an apogee of about 450 km (285 miles). Satellite is flying in an orbit tilted at 55.5 degrees to the equator”; quoted from “Iranian satellite successfully placed in orbit”, *Spaceflight now*, 2 February 2015.

<sup>30</sup> North American Aerospace Defense Command registration number 40387. See Online satellite and flare tracking (Satflare) at [www.n2yo.com/satellite/?s=40387](http://www.n2yo.com/satellite/?s=40387).

<sup>31</sup> S/2012/395, paras. 35-36.

26. The Islamic Republic of Iran announced its plans to launch three other satellites during the period from March 2015 to March 2016 named Zafar, Tolou and Pars “from more powerful launchers and on the back of bigger carriers”.<sup>32</sup>

27. The Joint Plan of Action makes no reference to the Islamic Republic of Iran’s ballistic missile activities.

#### **D. Transfers of conventional arms and related materiel**

28. Unlike every previous mandate, during the current mandate no transfers of conventional arms and related materiel by the Islamic Republic of Iran were reported to the Committee. The Panel however notes media reports pointing to continuing military support and alleged arms transfers to the Syrian Arab Republic,<sup>33</sup> Lebanon,<sup>34</sup> Iraq,<sup>35</sup> and Yemen,<sup>36</sup> and to Hizbullah and Hamas.<sup>37</sup> The Panel further notes that Iranian officials, although not denying military support, do not mention transfers of arms.

29. The discrepancy between media reports of alleged arms transfers and the lack of reporting to the Committee could have a number of explanations, among those some that were observed by the Panel in the past (the Islamic Republic of Iran’s use of air, land or sea shipment routes in a way that avoids interdictions by Member States) or reluctance to report on the part of Member States.

##### **Arms transfers to Iraq**

30. Shipment of arms was confirmed by the President of the Kurdistan Regional Government, Massoud Barzani, during a joint press conference with the Islamic Republic of Iran’s Foreign Minister, Mohammad Javad Zarif, on 26 August 2014. President Barzani said: “We asked for weapons and the Islamic Republic of Iran was the first country to provide us with weapons and ammunition.”<sup>38</sup> Mr. Zarif, in a public talk at the New York-based Council of Foreign Relations, said: “We don’t have boots on the ground in Iraq. We have advisers in Iraq. We send equipment to Iraq.”<sup>39</sup> The Islamic Republic of Iran is reported to continue to supply weapons in support of the Kurdistan Regional Government against the Islamic State in Iraq and the Levant (ISIL).<sup>40</sup>

31. According to a recent media report quoting a United States official, the Islamic Republic of Iran deployed to Iraq weapons “similar to Fajr-5 rockets and Fateh-110

<sup>32</sup> “Science Minister: Iran’s aerospace industry readying for long jump”, *Fars News Agency*, 10 March 2015.

<sup>33</sup> “Iran boosts military support in Syria to bolster Assad”, *Reuters*, 21 February 2014.

<sup>34</sup> “Iran ready to send Lebanon arms to battle terrorists”, *The Daily Star*, 21 October 2014.

<sup>35</sup> Michael R. Gordon and Eric Schmitt, “Iran sends 3 attack planes to Iraqi Government”, *New York Times*, 8 July 2014.

<sup>36</sup> “Iranian ship unloads 185 tons of weapons for Houthis at Saleef port”, *Al Arabiya News*, 20 March 2015.

<sup>37</sup> “IRGC Commander: Syria, Iraq, Palestine, Hezbollah aided by Iran’s missile technology”, *Fars News Agency*, 2 February 2015.

<sup>38</sup> “Iran boosts military support in Syria to bolster Assad”, *Reuters*, 21 February 2014.

<sup>39</sup> “A conversation with Mohammad Javad Zarif”, Council on Foreign Relations, 17 September 2014.

<sup>40</sup> “Iran arms exports to Iraq tolerated in fight against Isis says report”, *The Guardian*, 17 February 2015.

### Arms offered by the Islamic Republic of Iran to Lebanon

33. According to media reports, in October 2014 the Islamic Republic of Iran offered to send arms and related materiel to the Lebanese army in support of the fight against terrorism.<sup>46</sup>

34. Lebanese authorities, when contacted by the Panel, confirmed the offer.<sup>47</sup> They indicated that the Islamic Republic of Iran was awaiting the consent of the Government of Lebanon, which sought the view of the Panel. The Panel informed the Lebanese authorities that in its opinion any such transfer would be prohibited under paragraph 5 of resolution 1747 (2007) and suggested that this matter be brought to the attention of the Committee.

35. The Panel assesses this “attempt”<sup>48</sup> as a case of non-compliance by the Islamic Republic of Iran as stated in paragraph 3 of the Fact Sheet of the Committee.<sup>49</sup> At the time of writing, the Panel has no information as to an actual delivery taking place. At this stage, the Panel notes that Lebanon followed best practices in seeking an informal view as to whether the proposed Iranian donation would be prohibited under Security Council resolutions.

### Arms shipments to Yemen<sup>50</sup>

36. The Panel, in its final report of 2013,<sup>51</sup> described an investigation into arms found on board the vessel *Jihan* by Yemeni and United States authorities on 23 January 2013 that was reported separately to the Committee. The Panel has continued analysis of information received in connection with that case. This suggests that the *Jihan* case follows a pattern of arms shipments to Yemen by sea which can be traced back to at least 2009. The analysis further suggests that the Islamic Republic of Iran was the origin of these shipments, and that the intended recipients were the Houthis in Yemen or possibly in some cases further recipients in neighbouring countries. It also shows that current Iranian military support to Houthis in Yemen is consistent with patterns of arms transfers going back more than five years.<sup>52</sup> Details of cases are contained in annex I.

<sup>46</sup> “Iran vows to help Lebanon in war on terrorism”, *Fars News Agency*, 1 October 2014; “Daily lists details of Iran’s arms aid to Lebanon”, *Fars News Agency*, 11 October 2014; and “Iran reiterates full support for Lebanon in fight against terrorism”, *Fars News Agency*, 5 January 2015.

<sup>47</sup> Letter from the Permanent Mission of Lebanon to the United Nations dated 23 October 2014 addressed to the Panel of Experts and containing the list of arms.

<sup>48</sup> *One expert notes that insufficient information on the terms of the “offer” does not, in that expert’s opinion, allow one to confirm that the reported event constitutes an “attempt” of arms transfer.*

<sup>49</sup> “Sanctions violations may occur when activities or transactions proscribed by the resolutions are undertaken or attempts are made to engage in proscribed transactions or activities, whether or not the transaction or activity has been completed.”

<sup>50</sup> The Panel notes that the Security Council imposed an arms embargo on Houthis in Yemen in resolution 2216 (2015) adopted on 14 April 2015.

<sup>51</sup> S/2013/331.

<sup>52</sup> Yara Bayoumy and Mohamed Ghobari, “Iranian support seen crucial for Yemen’s Houthis”, *Reuters*, 15 December 2014; and “Yemen crisis: Kerry warns Iran over Houthi rebel support”, *BBC News*, 9 April 2015.

## Annex I

### Patterns of arms shipments from the Islamic Republic of Iran to Yemen

1. The Panel has continued to study and analyse information received in 2013 during the investigation into the *Jihan* arms shipment.<sup>a</sup>

2. Previous cases, none of which was reported by Yemen to the Committee but on which Yemeni authorities later provided information (see map), are described below in their chronological order:

- **Unnamed vessel (April 2009).** According to information received by the Panel from Yemeni authorities, members of an Iranian “spy ring” arrested on 14 July 2009 said during the investigation conducted by Yemeni authorities that, in April 2009, an Iranian vessel unloaded crates of weapons on to Yemeni boats in international waters. They were then delivered in batches to Midi district. One of the batches was taken by car to a farm in Mukhazin district in the Yemeni governorate of Sa’dah, the main Houthi centre.
- **The vessel *Mahan 1* (October 2009).** According to information received from Yemeni authorities and court documents, on 25 October 2009 the Yemeni Navy seized in Yemeni territorial waters an Iranian vessel named *Mahan 1*. According to Yemeni authorities, among the crew were five Iranians.<sup>b</sup> Yemeni prosecutors issued a writ confiscating the ship and weapons found on board. The First Instance Court of Sana’a convicted the crew of the *Mahan 1* of smuggling arms from the Islamic Republic of Iran to Yemen. An appeal by the Iranian Embassy in Yemen was rejected by the Specialized Appeals Court in December 2012.<sup>c</sup>
- **Unnamed vessel (February 2011).** According to information received from Yemeni authorities, on 21 February 2011, an Iranian fishing vessel was seized by Yemeni authorities seven kilometres from the coast of Hadramawt governorate, after it pursued Yemeni fishermen in Yemeni territorial waters. Investigation by Yemeni authorities showed that the vessel carried a shipment of weapons comprising 900 Iranian-made anti-tank and anti-helicopter rockets intended for Houthi rebels.
- **The vessel *Nafis 1* (July 2011).** According to information from Yemeni authorities and the statements of two crew members of *Jihan*, the *Nafis 1* sailed on 20 July 2011 from the Iranian military port of Chabahar bound for the Yemeni port of Nishtun.

It was seized on 14 August 2011 by authorities of one Member State and detained for seven months.

The Panel received conflicting information from the two crew members of the *Jihan* as to whether arms were on board. The Member State concerned made no report which suggested that the vessel carried arms.

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<sup>a</sup> See the Panel’s final report of 2014 (S/2014/394).

<sup>b</sup> The Specialized Appeals Court, Sana’a District, decision dated 23 December 2012.

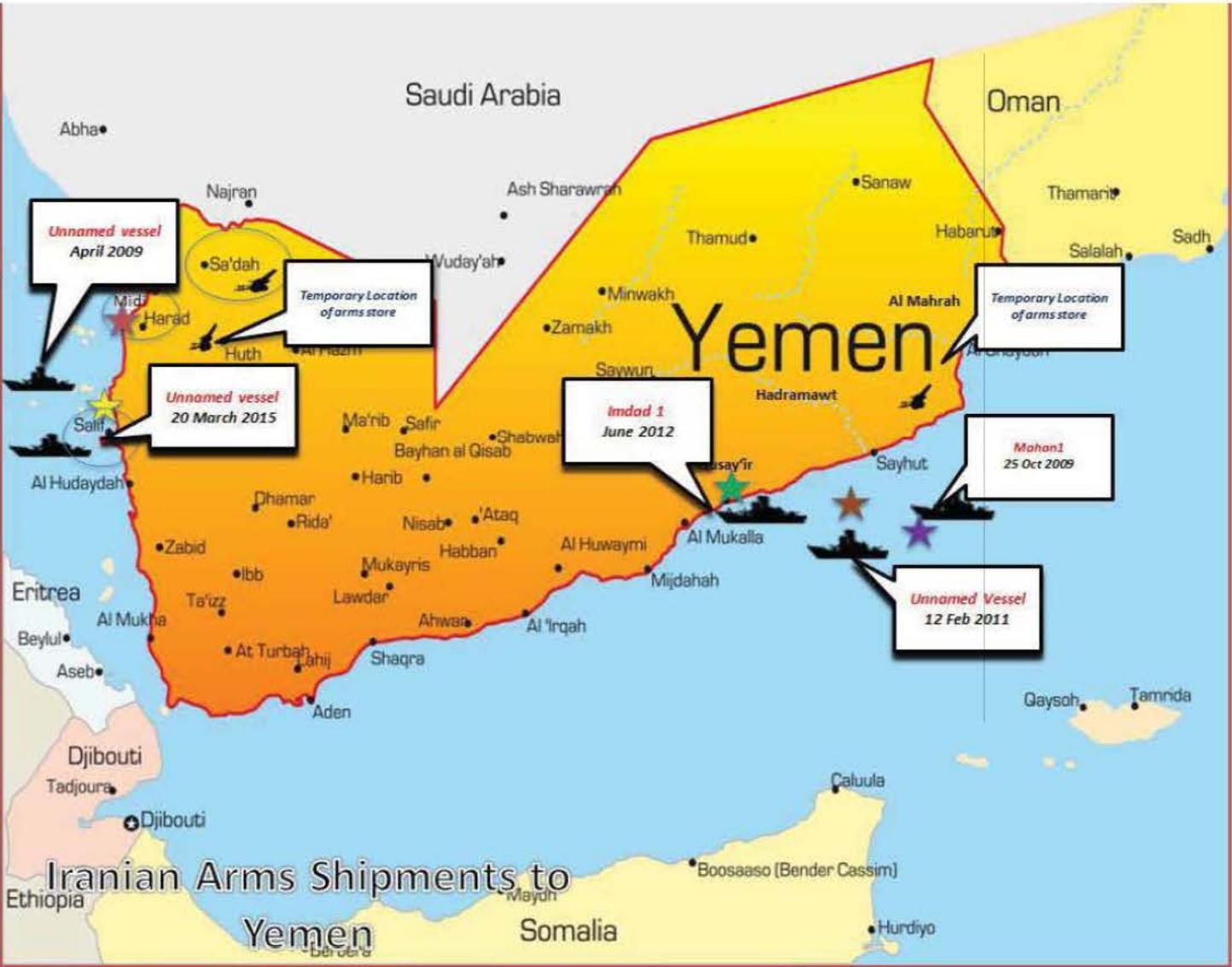
<sup>c</sup> Ibid.

- ***Nafis 1*** (IMO 8609753) is an Iranian vessel owned by the Iranian company Molaei M. Analysis by the Panel of commercial ship tracking data shows that from the end of May 2011 until March 2012 the vessel's Automatic Identification System was switched off and it could not be tracked by standard commercial satellites. The Panel has no further information about the cargo and the reason for its detention and continues its investigation.
- **The vessel *Imdad 1* (March 2012)**. According to testimony provided by the crew of the *Jihan 1* to Yemeni authorities, the *Imdad 1* sailed from the Khawr Dabwah district of Mahrah governorate of Yemen in March 2012 to Bandar Abbas in the Islamic Republic of Iran. While in a military port in Bander Abbas, the *Imdad 1* was repaired, equipped and loaded with weapons. Only two members of the crew were present during the loading of these weapons.  
  
The *Imdad 1* then returned to Qusay'ir, governorate of Hadramawt, Yemen, in late May/early June 2012. The cargo was unloaded into small boats that had been rented from local fishermen at a point between Qusay'ir and Ra's Ba Ghashwah, governorate of Hadramawt. The cargo was taken to Shihr, stored and then taken to Sa'dah in four journeys by the same truck.
- **Unnamed vessel (March 2015)**. According to a media report dated 20 March 2015, an Iranian vessel carrying weapons arrived at As Salif port, Yemen, which was at the time in Houthi hands. The report alleged that according to its sources the vessel was carrying more than 180 tons of weapons and military equipment.<sup>d</sup>

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<sup>d</sup> "Iranian arms-laden vessel arrives at As Salif Port in Al Hudaydah", *Al-Sharq al-Awsat*, 20 March 2015 (in Arabic).

Map of landing points



Source: Panel of Experts.





# Security Council

Sixty-fifth year

*Provisional*

## 6442<sup>nd</sup> meeting

Friday, 10 December 2010, 10.30 a.m.  
New York

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<i>President:</i>	Ms. Rice .....	(United States of America)
<i>Members:</i>	Austria .....	Mr. Mayr-Harting
	Bosnia and Herzegovina .....	Mr. Vukašinić
	Brazil .....	Mrs. Viotti
	China .....	Mr. Wang Min
	France .....	Mr. Briens
	Gabon .....	Mr. MOUNGARA MOUSSOTSI
	Japan .....	Mr. Nishida
	Lebanon .....	Mr. Salam
	Mexico .....	Mr. Puente
	Nigeria .....	Mr. Onemola
	Russian Federation .....	Mr. Dolgov
	Turkey .....	Mr. Çorman
	Uganda .....	Mr. Rugunda
	United Kingdom of Great Britain and Northern Ireland .....	Sir Mark Lyall Grant

### Agenda

#### Non-proliferation

Briefing by the Chair of the Security Council Committee established pursuant to resolution 1737 (2006)

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This record contains the text of speeches delivered in English and of the interpretation of speeches delivered in the other languages. The final text will be printed in the *Official Records of the Security Council*. Corrections should be submitted to the original languages only. They should be incorporated in a copy of the record and sent under the signature of a member of the delegation concerned to the Chief of the Verbatim Reporting Service, room U-506.

10-68565 (E)



*The meeting was called to order at 10.50 a.m.*

### **Adoption of the agenda**

*The agenda was adopted.*

### **Non-proliferation**

#### **Briefing by the Chairman of the Security Council Committee established pursuant to resolution 1737 (2006)**

**The President:** At this meeting, the Security Council will hear a briefing by Ambassador Tsuneo Nishida, Permanent Representative of Japan, in his capacity as Chair of the Security Council Committee established pursuant to resolution 1737 (2006).

I now give the floor to Ambassador Nishida.

**Mr. Nishida** (Japan): I would like to deliver to the Security Council the sixteenth 90-day report of the Committee established pursuant to resolution 1737 (2006), in accordance with paragraph 18 (h) of resolution 1737 (2006). The report covers the period from 16 September to 9 December 2010, during which time the Committee held no meetings but conducted its work using the silent procedure.

I would like to begin by noting that, on 5 November 2010, in consultation with the Committee, the Secretary-General appointed the Panel of Experts established under paragraph 29 of resolution 1929 (2010). The Committee welcomes this development and is scheduled to hold informal consultations with the members of the Panel today.

During the reporting period, the Committee received communications from two Member States, which reported two separate incidents of violations of paragraph 5 of resolution 1747 (2007), which imposes a ban on the export and procurement of all arms and related materiel from the Islamic Republic of Iran. In the first case, a Member State informed the Committee that, at one of its wharfs, its security authority had inspected and seized 13 shipping containers of illegal arms reportedly originating from Iran, and that a comprehensive report on the results of its investigations would be forthcoming. The Committee responded, *inter alia*, by recommending that the Member State retain and store the seized containers until the Committee had concluded its consideration of the matter, and encouraged the Member State to invite

the Panel of Experts, as appropriate, to visit and inspect the seized containers.

In the second case, a Member State informed the Committee that, at one of its harbours, its customs and border authorities had inspected and seized a container onboard the vessel *MS Finland*, originating from Iran and destined for the Syrian Arab Republic, which contained, a high-potential explosive known as T4 or RDX. Further investigations were being carried out by the Member State. As in the first case, the Committee dispatched a response with appropriate guidance to this State. It is a matter of grave concern that the apparent pattern of sanctions violations involving prohibited arms transfers from Iran, first highlighted publicly by the Committee a year ago, is continuing.

In accordance with its work programme, on 1 November the Committee approved a hand-out describing implementation by States of resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010); and on 15 November, a fact sheet explaining the respective roles of the Committee and the Panel of Experts in investigating and responding to reported sanctions violations. It is hoped that these two documents, which were subsequently dispatched to all Member States under cover of a note verbale and are also available on the Committee's website, will assist Member States in meeting their responsibilities.

The Committee considered and approved a request submitted by a Member State for an exception to the assets freeze, to the benefit of a listed entity, under subparagraph 13 (b) of resolution 1737 (2006). In addition, the Committee received three notifications from two Member States in connection with the receipt and/or unfreezing of funds in order to make payments due under contracts entered into prior to the listing of two entities, pursuant to paragraph 15 of the same resolution. The Committee also responded to two written queries on the assets freeze measure and on an entity designated as subject to this measure.

Finally, the Committee is aware of a de-listing request, submitted through the focal point process outlined in the annex to resolution 1730 (2006), concerning another listed entity and will be addressing this request in accordance with the same resolution.

Allow me to conclude by noting the important work that lies ahead of the Committee, including the consideration of the forthcoming interim report of the Panel of Experts as well as the conduct of a

comprehensive review of the implementation reports submitted by Member States under the four resolutions. Thus far, the Committee has received 92 reports under resolution 1737 (2006), 79 reports under resolution 1747 (2007), 68 reports under resolution 1803 (2008), and 45 reports under resolution 1929 (2010).

Since this is the last 90-day report I shall deliver to the Council in my capacity as Chairman of the Committee, on my behalf and on behalf of my predecessor, Ambassador Takasu, I thank the members of the Committee for their cooperation.

Finally, I would like to take this opportunity to share my personal observations on the activities of the 1737 Committee during Japan's term in the Security Council, since my mandate will come to end as of 31 December.

The most important event over the past two years concerning the 1737 Committee was the adoption of resolution 1929 (2010). Pursuant to this resolution, the Panel of Experts was established, and its activities have begun very recently. As the role of the Panel is to assist the work of the Committee from an independent point of view, ensuring an appropriate environment for the Panel will serve in the best and long-term interests of the Committee. The Committee and the Panel will also need to jointly implement the programme of work that was adopted on 23 July. As such, the Committee and the Panel of Experts should work in a coordinated fashion.

It cannot be overemphasized that the most important work of the Committee is to ensure the full implementation of the relevant Security Council resolutions. This can be done only as long as all Member States are fully informed of the work of the Committee and the Panel, as well as their respective roles in fulfilling the obligations of these resolutions. Against that backdrop, I have stressed the importance of ensuring transparency and sharing information with Member States. We can now find on the website of the 1737 Committee such relevant documents as the fact sheet, which explains the respective roles of the Committee and the Panel, as well as the hand-out describing the obligations of Member States under relevant resolutions. I hope that Member States have found such early dissemination of information helpful.

A number of Member States reported promptly upon identifying violation cases under their jurisdiction. These actions demonstrate their strong commitment to

carrying out their responsibilities under the resolutions. As Chair, I have tried to respond to their sincerity by expeditiously issuing acknowledgement letters so as to express the strong interest of the Committee in cooperating with their investigations. Speedy and reliable communication between the Committee and reporting States constitutes a crucial element of fulfilling the mandate of the resolutions. In future cases, the Committee should establish a means for the Committee and the Panel to share information with relevant parties in those cases and to closely coordinate with them.

National implementation reports submitted by Member States provide factual foundations for the Committee to understand the situation surrounding the implementation of the resolutions. It is therefore quite unfortunate that the number of submissions remains quite low. I would like to take this opportunity to remind and request the Member States to submit the reports required under all relevant resolutions.

In other Committees, I understand that analysis of submitted implementation reports have helped them to better understand approaches taken by Member States in carrying out their obligations, and also to identify challenges and difficulties Member States are faced with. It is therefore important and necessary for the Committee, with the assistance of the Panel of Experts, to analyse the content of reports. In doing so, the Committee can provide better guidance to the Member States in submitting their reports and additional information, and also in identifying any vulnerabilities in fulfilling obligations under the resolutions.

Last but not least, I would like to emphasize that the strong support of Member States is of critical importance to the Committee in carrying out its work. I have benefited greatly from the cooperation extended by many Member States. More can be done by the Committee, in my view, to gain even stronger support from Member States. One effective tool that the Committee can use in the future is to hold regular briefings to the Member States. This can be complemented by the active engagement of the Panel of Experts in outreach activities. The Panel can also support the work of the Committee and its Chair by joining open briefings. It is essential for the Committee to actively seek the support of Member States in carrying out its mandate. Such an active role played by the Committee will strengthen not only its visibility but also its legitimacy in the long run.

**The President:** I thank Mr. Nishida for his briefing.

I now give the floor to the members of the Security Council.

**Sir Mark Lyall Grant** (United Kingdom): Allow me to lead the chorus that I am sure will come from colleagues in thanking Ambassador Nishida for his final briefing as Chair of the Committee established pursuant to resolution 1737 (2006). As he leaves, the Committee is well equipped to continue to fulfil its important mandate. Its role will be of vital importance as we pursue the dual-track strategy to resolve the Iranian nuclear issue.

For the dual-track strategy to succeed, rigorous implementation by States of the measures contained in resolution 1929 (2010) and the Council's previous resolutions is essential, particularly in view of the two new reported violations that have come to light recently. They are correctly identified in today's report as part of a pattern of violations. The transfers of the goods seized — illegal arms and RDX high explosives — are both flagrant violations of paragraph 5 of resolution 1747 (2007) by Iran. The latter is also a violation of paragraph 8 of resolution 1737 (2006). We encourage the Committee to consider making additional designations to prevent further violations and sanctions evasions.

These violations demonstrate the importance of the 1737 Committee in ensuring implementation both by monitoring implementation and advising States when necessary. They also emphasize the vital role of its newly appointed Panel of Experts. The Panel will have a full agenda investigating reported violations and travelling to various regions to focus on implementation.

We also support the Committee's wider outreach efforts to promote implementation. The recently produced hand-out and fact sheet will be helpful to Member States seeking to implement measures more effectively. In future, and with the Panel's assistance, the Committee might also consider organizing open briefings to the wider United Nations membership, setting out clearly what is expected of Member States.

While many Member States have acted promptly to adjust their laws and procedures, we remind those yet to report to the 1737 Committee on measures taken to do so as soon as possible, as Ambassador Nishida

has underlined again today. The Committee should make a renewed push on this matter. More complete reporting would help the Panel of Experts to identify gaps as they prepare their comprehensive survey of implementation.

Today's briefing follows the publication on 24 November of the latest report of the International Atomic Energy Agency (IAEA) on Iran. That report provides a clear benchmark by which to judge Iran's non-compliance with its international obligations.

First, the report states that Iran is not suspending enrichment-related activities or heavy water-related projects as required by Security Council resolutions and as requested by the IAEA Board of Governors. Secondly, it shows that the IAEA still awaits a substantive response from Iran in relation to the announcements that Iran also intends to construct 10 new nuclear enrichment facilities. Thirdly, the report reiterates that there has been no Iranian cooperation with the IAEA on possible military dimensions to their programme since August 2008. Fourthly, the report also indicates that Iran, contrary to Security Council and Board resolutions, is continuing heavy water-related activities and denying the IAEA the access it would like to locations related to heavy water production sites. Finally, the report concludes that "Iran has not provided the necessary cooperation to permit the Agency to confirm that all nuclear material in Iran is in peaceful activities" and that

"Iran is not implementing the requirements contained in the relevant resolutions of the Board of Governors and the Security Council ... which are essential to building confidence in the exclusively peaceful purpose of Iran's nuclear programme and to resolving outstanding questions".

We are meeting a few days after the talks in Geneva between Baroness Ashton, the E3+3 and Mr. Jalili. This was a welcome step, and the agreement to meet again in Turkey in January is positive, but we are clear that the next talks should include a candid discussion of the many international concerns relating to the Iranian nuclear programme, and that Iran needs to show real progress in addressing these concerns.

We remain determined to resolve these matters through dialogue and diplomacy. We hope that the January meeting will help to achieve that goal.

**Mr. Wang Min** (China) (*spoke in Chinese*): China thanks Ambassador Nishida for his briefing on the work of the Committee established pursuant to resolution 1737 (2006) over the past 90 days. This will be his last briefing to the Security Council in his capacity as Chair of the Committee. Over the past two years, under the leadership of Ambassador Nishida and his predecessors, the Committee has done much pragmatic and effective work. China wishes to express its appreciation for the work of the Committee and its chairs.

The Panel of Experts established pursuant to resolution 1929 (2010) is currently carrying out its work. We wish to thank the Chair of the Committee, the members of the Committee and the Secretariat for all their efforts. We hope that the Panel of Experts, in accordance with the mandate given by the resolution and under the leadership of the Committee, will carry out its work in a pragmatic and efficient manner and play an important role in assisting the Member States to comprehensively and earnestly carry out the relevant resolutions of the Security Council. During this process, China wishes to provide all necessary support and assistance to the Panel of Experts and will contribute as always to the work of the Committee.

China always supports maintaining the international non-proliferation regime and attaches great importance to and strictly abides by the relevant resolutions of the Security Council. All Member States are required to implement the relevant resolutions of the Security Council comprehensively and earnestly. However, in this process there should be no wilful interpretation or expansion of the scope the sanctions.

China always believes that sanctions are not ends in themselves and cannot fundamentally resolve any issue. The best choice with respect to Iran is to seek peaceful diplomatic negotiations and a peaceful settlement of the nuclear issue. We now have a new opportunity to restart the dialogue on the Iranian nuclear issue and negotiations on the matter. The European Union and six countries have just carried out a positive and useful dialogue in Geneva that enhanced mutual understanding. We hope that the concerned parties can maintain their efforts to seek a solution through diplomatic negotiation and in a cooperative, flexible and pragmatic spirit try to gradually establish mutual confidence, seek common ground and promote progress in the negotiations. China continues to hope that the International Atomic Energy Agency can play a

constructive role in helping to find an appropriate solution to the Iranian nuclear issue.

China will continue to work with all parties to seize and make good use of the current opportunity to step up diplomatic efforts and to continue to build momentum for a solution of the Iranian nuclear issue through dialogue and negotiation. We will continue to do our part to find a comprehensive, lasting and appropriate solution of the Iranian nuclear issue.

**Mr. Briens** (France) (*spoke in French*): I would like first to thank Ambassador Nishida for his quarterly report and for the outstanding work he has done as Chairman of the Committee established pursuant to resolution 1737 (2006). His briefing has reminded us of the reality of the Iranian nuclear dossier. It shows the magnitude and diversity of Iranian practices to evade sanctions.

Serious violations are on the increase. After the *Monchegorsk*, the *Hansa India*, the *Francop* and the neighbouring case of the *ANL Australia*, we now have two new cases of arms violations contravening resolution 1737 (2006) and, most likely, in the case of the RDX explosives, a violation of the embargo on the export of dual-use items under the resolution. A considerable flow of arms and other dangerous material that has again come to light, with confirmed itineraries between the port of Bandar Abbas and Latakia, in particular. New routes have been identified in Africa that are cause for concern. Once again, this is undoubtedly only the tip of the iceberg.

In this regard, I welcome the fact that the Member States concerned have been able to intercept these cargos and to make notification of these cases of violations. These notifications show that Member States are indeed implementing the resolutions. They are evidence that Iran continues to flout its international obligations and to threaten international and regional peace and security. They also show that sanctions have an impact, as Iran has to make use of increasingly complex routes and schemes.

We can only underscore the gravity of this type of smuggling, and in that regard I underscore the concerns expressed by the Chairman of the Committee in his report. These violations pose a threat to our collective security and to regional security in regions that have no need of any such additional threat. They require the greatest vigilance on our part.

As a result, we hope that the Panel of Experts recently appointed by the Secretary-General will investigate these cases of violations in depth, pursuant to its mandate; study Iran's evasive techniques, in particular in the transport sector; and on that basis provide recommendations to the Committee.

I referred earlier to the recent establishment of the Panel of Experts. This is good news, and my country welcomes this. A meeting of the Committee with the experts will be held later today, but as of now I wish to underscore the importance of their work to ensuring the effective implementation of the resolution. It is essential that the Panel be able to study the national implementation reports concerning violations, issue periodic recommendations for improving the sanctions provisions, and develop outreach activities. We encourage all States to cooperate fully with the Panel.

We also welcome the fact that the Committee has continued its awareness-raising activities by its recent adoption of information hand-outs detailing the contents of the resolutions and the respective roles of the Committee and the Panel.

I touched on violations that have been brought to the attention of the Committee and the concerns these have raised. These concerns have been confirmed with regard to the Iranian nuclear programme in the latest report of the Director General of the International Atomic Energy Agency (IAEA) of 23 November. The report underscores that Iran continues to refuse to honour its international obligations and to conform to the demands of the Security Council and the IAEA Board of Governors.

Iran is pursuing its uranium enrichment activities at 3.5 and 20 per cent, as well as its heavy water projects, despite the repeated demands of the international community and, we note, in the absence of any veritable civilian use. Iran refuses to cooperate with the IAEA in order to shed light on the nature and full extent of its activities. In particular, Iran continues to refuse to answer the IAEA's questions regarding the militarization of its nuclear programme. The Director General states in his report that questions concerning these alleged uses remain unanswered.

The measures adopted by the Security Council are not an end in themselves. Their purpose is to convince Iran to negotiate in conformity with the dual approach of the E3+3 partners. The Geneva meeting

held on 6 and 7 December was in this regard the outcome of the numerous calls for dialogue and the repeated efforts of Ms. Ashton and the E3+3 partners to resume dialogue with Iran.

However, the meeting would not have taken place without the pressure of the international community, which increased further still with the adoption of resolution 1929 (2010). In Geneva, the E3+3 partners reiterated their common concern about the Iranian nuclear programme described by the IAEA, the expectations of the international community, and Iran's obligations. They also stressed their resolve to find a negotiated solution to the Iranian nuclear crisis.

We now hope that Iran will make use of the weeks remaining before the January meeting in Istanbul in order to consider the situation in the light of the messages it received in Geneva; adopt irreversible, specific measures to respond to the concerns of the international community; honour its international obligations; and finally accept to consider our requests for dialogue and cooperation in order to begin discussions with the E3+3 partners in a constructive spirit.

**Mr. Dolgov** (Russian Federation) (*spoke in Russian*): We, too, are grateful to the Chair of the Committee established pursuant to resolution 1737 (2006), Ambassador Nishida, for his briefing on the work of the Committee over the past three months. We deeply appreciate his efforts in chairing the Committee, which has done a great deal of work in that time in various areas of its mandate. The Committee has strictly discharged its mandate, and it is important that it continue to do so in the future.

We welcome the establishment of the Panel of Experts, which will provide the Committee with professional support. We expect the Panel to do practical work in implementing, under the guidance of the Committee, the tasks assigned to it. All members of the international community must strictly abide by Security Council resolutions and the sanctions regime with respect to Iran and not to go beyond those boundaries.

With respect to the current situation of the Iranian nuclear programme, our position remains unchanged. We have consistently called for a solution to the problem through dialogue and interaction with the Iranian side. The foundation of our approach is the continuation of the talks towards a diplomatic solution

and to work with Tehran while ensuring the full cooperation of Iran with the International Atomic Energy Agency (IAEA).

We welcome the Geneva talks on the Iranian nuclear programme held on 6 and 7 December with the European Union High Representative for Foreign Policy, Baroness Ashton, with the Secretary of the Supreme National Security Council of Iran, Mr. Jalili, and with the political directors of the E3+3. The discussions resumed after a long break, and the parties took a close look at issues of mutual interest, including the situation of the Iranian nuclear programme as well as matters of global security and the strengthening of the non-proliferation regime.

Some steps were identified to enable the continuation of the dialogue with the aim of furthering cooperation and seeking common approaches. It is important that an agreement was reached in Geneva on future meetings, such as that planned for January in Istanbul. We hope that these talks will enjoy further momentum and that all interested parties will continue to interact in the interest of finding an exclusively peaceful and political settlement of the situation of the Iranian nuclear problem.

**The President:** I shall now make a statement in my capacity as representative of the United States.

Let me also begin by thanking Ambassador Nishida for his briefing today and for his own and Japan's exemplary leadership of the Committee established pursuant to resolution 1737 (2006) over the past two years. The Committee has accomplished a great deal and he has set a very high standard for his successor to live up to.

Six months ago, almost to the day, this Council adopted resolution 1929 (2010) in response to Iran's continued refusal to comply with its international nuclear obligations. Since then, Iran's non-compliance with its obligations to the Security Council and under the Treaty on the Non-Proliferation of Nuclear Weapons has persisted, as has its lack of full cooperation with the International Atomic Energy Agency (IAEA) and, as we have just heard, have its numerous violations of Security Council resolutions. Allow me to make three brief points on the current situation and appropriate next steps.

First, unfortunately, when it comes to the actions of Iran, not much has changed since we last met. Iran

continues to violate its obligations to the IAEA and the Security Council. The latest report on Iran of the IAEA Director-General, released just a few weeks ago, again underscores Iran's continued refusal to comply with its international nuclear obligations and to cooperate fully with the IAEA.

Most notably, the report underscores Iran's ongoing uranium enrichment at 3.5 per cent and near-20 per cent levels. The report also details Iran's continued construction of a heavy water research reactor, its refusal to permit the IAEA the access it needs to answer long-standing questions about the Qom enrichment facility, and its non-response to the questions around a possible military dimension to Iran's nuclear programme. In sum, the latest IAEA report records Iran's continued defiance of its international obligations and shows that Iran has yet to take the meaningful steps required by this Council and called for by the IAEA Board of Governors.

Secondly, we must continue to maintain the pressure on Iran to change course. All Member States have an obligation to fully implement Security Council resolutions. We urge those that have not yet done so to report to the Committee on their national implementation efforts as soon as possible. These Security Council resolutions affirm obligations on Iran with a clear objective: to resolve the international community's concerns about Iran's nuclear activities. The 1737 Committee and the recently-constituted Panel of Experts will help to maintain the pressure on Iran by monitoring and improving the implementation and enforcement of the Iran sanctions regime.

In particular, we urge the Committee, with the Panel's support, to investigate thoroughly all reported sanctions violations. We commend Nigeria for having seized Iranian arms exported in violation of United Nations sanctions. We also commend Italy for seizing items that Syria was attempting to procure illicitly from Iran. Investigations into these incidents can help us to better understand and to halt Iran's arms smuggling and proliferation networks in violation of Council resolutions.

We are pleased that the Panel of Experts is now operational. The Panel is an exceptionally well-qualified team, and we expect that it will significantly improve our ability to monitor and tighten enforcement.

Finally, let me reiterate my Government's commitment to a dual-track strategy of both pressure

and engagement to convince Iran's leadership to change course. Earlier this week, we held frank discussions and dialogue with Iran and our E3+3 partners. We aim to continue a careful and phased process of building confidence between Iran and the international community.

As we have said before, we recognize Iran's rights, but we insist that Iran fulfil the obligations that accompany those rights. Iran's choice remains clear. If it builds international confidence and respects its obligations, we will reciprocate; but if Iran refuses, its isolation will only grow. We will base our actions on Iran's degree of cooperation. We look forward to

continued talks in late January to discuss practical ideas for a way forward to resolve our core concerns. We remain committed to working closely with our partners in this Council and the international community to prevent Iran from developing nuclear weapons.

I now resume my functions as President of the Council.

There are no further speakers inscribed on my list. The Security Council has thus concluded the present stage of its consideration of the item on its agenda.

*The meeting rose at 11.25 a.m.*

# THE WALL STREET JOURNAL.

Asia News

**Arms Seized by Thailand Were Iran-Bound; Flight Documents Detail a Complicated Itinerary That Included Tehran; Plane's Cargo Described as 'Oil Industry Spare Parts'**

By Daniel Michaels and Margaret Coker

926 words

21 December 2009

The Wall Street Journal Online

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(See Correction & Amplification [below](#).)

A plane loaded with weapons from North Korea that was recently impounded in Bangkok was bound for Iran, according to documents obtained by arms-trafficking experts.

The destination of the Ilyushin-76, which Thai authorities have said carried 35 tons of armaments, has been unknown. Thai officials said the plane flew to Pyongyang via Bangkok to collect its cargo, then returned to Bangkok to refuel on Dec. 11. It was seized during that stop and its five crew members were detained by Thai police.

A flight plan for the IL-76, obtained by researchers in the U.S. and Belgium, shows that after Bangkok the plane was due to make refueling stops in Sri Lanka, the United Arab Emirates and Ukraine before unloading its cargo in Tehran. Iranian officials didn't respond to requests for comment.

The flight plan indicates that en route to Pyongyang the plane stopped at an air force base in Azerbaijan; the nature of that stop is unclear. Azerbaijani officials couldn't be reached for comment.

The apparent links among the military cargo, North Korea and Iran raise fresh questions about how nations try to evade international sanctions. The United Nations Security Council has banned the sale of small and heavy weapons from North Korea and all weapons sales from Iran.

The new information is presented in a joint draft report by analysts at TransArms, based in Chicago, and the International Peace Information Service, or IPIS, of Antwerp, Belgium. Both organizations conduct research on conflicts around the world, including how they are financed and supplied with weapons. A draft copy of the report was provided to The Wall Street Journal. The report hasn't been independently confirmed.

U.S. State Department spokesman Darby Holladay declined to comment on the seizure of the weapons and referred questions to the Thai government.

It remains unclear whether Iran intended to use the weapons itself. Western governments have accused Iran of supporting militants in Lebanon, the Palestinian territories and Iraq.

Thai officials say they have received little information from the plane's crew. The crew say they were told the cargo was oil-drilling equipment and have denied knowing there were weapons aboard.

The flight documents obtained by TransArms and IPIS state that the cargo is "oil industry spare parts." The flight's planners appear to have worked hard to maintain appearances. A packing list includes eight categories of equipment, such as "Geothermal rigs spare parts -- model MTEC6". Thai officials have said the actual cargo included shoulder-launched missiles, parts for surface-to-air missiles and electronic systems to control weapons.

Arms-trafficking specialists have puzzled over the stop in Bangkok, an airport that is heavily policed because of the drug trade. "This is not an unusual flight plan for general cargo, but if it's for an arms flight, it doesn't make any sense," said Peter Danssaert, an arms-trade researcher at IPIS involved in preparing the report.

A question still unanswered is who organized the weapons shipment. It appears the planners went to great lengths to hide their identities. The plane is registered to a company in the Republic of Georgia, Air West Ltd. Air

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West on Nov. 5 leased it to another firm, SP Trading Ltd., according to an Air West manager and a contract seen by The Wall Street Journal. SP Trading, registered in New Zealand, appears to be a shell company owned by other companies.

In another contract dated Dec. 4, discussed in the report by TransArms and IPIS and seen by the Journal, SP Trading leased the plane to a Hong Kong-based company. The Hong Kong company is owned by a second Hong Kong firm, which is owned by a third firm, based in the British Virgin Islands, according to company registration documents. These companies appear to have organized the cargo.

An Air West manager said the company had leased the plane to SP Trading and he knew no more. Officials from SP Trading couldn't be located.

The Georgian-registered IL-76 plane is owned by a company based in the United Arab Emirates, according to information in the draft report confirmed by Georgian aviation officials. The company, Overseas Cargo FZE, is based in Sharjah, one of the U.A.E.'s seven emirates.

A U.A.E. official confirmed that the IL-76 landed in the country on Dec. 9. The plane refueled and took off with an empty cargo hold, the official said.

Overseas Cargo's registration documents, reviewed by The Wall Street Journal in Sharjah, describe it as an aircraft-handling firm and oil-services consultancy with one shareholder, Svetlana Zykova.

Overseas Cargo's office in Sharjah referred inquiries to Ms. Zykova, who was contacted on a U.A.E. cellphone. The woman who answered identified herself as Svetlana Zykova, confirmed she was the owner of Overseas Cargo, and hung up when asked about the company's connection to the plane seized in Thailand.

Write to Daniel Michaels at [daniel.michaels@wsj.com](mailto:daniel.michaels@wsj.com) and Margaret Coker at [margaret.coker@wsj.com](mailto:margaret.coker@wsj.com)

Corrections & Amplifications:

An earlier version of this story misstated a quote from Peter Danssaert. The correct quote read: "This is not an unusual flight plan for general cargo, but if it's for an arms flight, it doesn't make any sense."

Document WSJO000020091220e5cl003ju



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**Resolution 2231 (2015)****Adopted by the Security Council at its 7488th meeting, on  
20 July 2015**

*The Security Council,*

*Recalling* the Statement of its President, S/PRST/2006/15, and its resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010),

*Reaffirming* its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons, the need for all States Party to that Treaty to comply fully with their obligations, and *recalling* the right of States Party, in conformity with Articles I and II of that Treaty, to develop research, production and use of nuclear energy for peaceful purposes without discrimination,

*Emphasizing* the importance of political and diplomatic efforts to find a negotiated solution guaranteeing that Iran's nuclear programme is exclusively for peaceful purposes, and *noting* that such a solution would benefit nuclear non-proliferation,

*Welcoming* diplomatic efforts by China, France, Germany, the Russian Federation, the United Kingdom, the United States, the High Representative of the European Union for Foreign Affairs and Security Policy, and Iran to reach a comprehensive, long-term and proper solution to the Iranian nuclear issue, culminating in the Joint Comprehensive Plan of Action (JCPOA) concluded on 14 July 2015, (S/2015/544, as attached as Annex A to this resolution) and the establishment of the Joint Commission,

*Welcoming* Iran's reaffirmation in the JCPOA that it will under no circumstances ever seek, develop or acquire any nuclear weapons,

*Noting* the statement of 14 July 2015, from China, France, Germany, the Russian Federation, the United Kingdom, the United States, and the European Union aimed at promoting transparency and creating an atmosphere conducive to the full implementation of the JCPOA (S/2015/545, as attached as Annex B to this resolution),

*Affirming* that conclusion of the JCPOA marks a fundamental shift in its consideration of this issue, and *expressing* its desire to build a new relationship with



Iran strengthened by the implementation of the JCPOA and to bring to a satisfactory conclusion its consideration of this matter,

*Affirming* that full implementation of the JCPOA will contribute to building confidence in the exclusively peaceful nature of Iran's nuclear programme,

*Strongly supporting* the essential and independent role of the International Atomic Energy Agency (IAEA) in verifying compliance with safeguards agreements, including the non-diversion of declared nuclear material to undeclared purposes and the absence of undeclared nuclear material and undeclared nuclear activities, and, in this context, in ensuring the exclusively peaceful nature of Iran's nuclear programme, including through the implementation of the "Framework for Cooperation" agreed between Iran and the IAEA on 11 November 2013 and the "Roadmap for Clarification of Past and Present Outstanding Issues", and *recognizing* the IAEA's important role in supporting full implementation of the JCPOA,

*Affirming* that IAEA safeguards are a fundamental component of nuclear non-proliferation, promote greater confidence among States, inter alia, by providing assurance that States are complying with their obligations under relevant safeguards agreements, contribute to strengthening their collective security and help to create an environment conducive to nuclear cooperation, and further *recognizing* that effective and efficient safeguards implementation requires a cooperative effort between the IAEA and States, that the IAEA Secretariat will continue to engage in open dialogue on safeguards matters with States to increase transparency and build confidence and to interact with them on the implementation of safeguards, and in this case, avoid hampering the economic and technological development of Iran or international cooperation in the field of peaceful nuclear activities; respect health, safety, physical protection and other security provisions in force and the rights of individuals; and take every precaution to protect commercial, technological and industrial secrets as well as other confidential information coming to its knowledge,

*Encouraging* Member States to cooperate, including through IAEA involvement, with Iran in the framework of the JCPOA in the field of peaceful uses of nuclear energy and to engage in mutually determined civil nuclear cooperation projects, in accordance with Annex III of the JCPOA,

*Noting* the termination of provisions of previous resolutions and other measures foreseen in this resolution, and *inviting* Member States to give due regard to these changes,

*Emphasizing* that the JCPOA is conducive to promoting and facilitating the development of normal economic and trade contacts and cooperation with Iran, and *having* regard to States' rights and obligations relating to international trade,

*Underscoring* that Member States are obligated under Article 25 of the Charter of the United Nations to accept and carry out the Security Council's decisions,

1. *Endorses* the JCPOA, and *urges* its full implementation on the timetable established in the JCPOA;

2. *Calls upon* all Members States, regional organizations and international organizations to take such actions as may be appropriate to support the implementation of the JCPOA, including by taking actions commensurate with the

implementation plan set out in the JCPOA and this resolution and by refraining from actions that undermine implementation of commitments under the JCPOA;

3. *Requests* the Director General of the IAEA to undertake the necessary verification and monitoring of Iran's nuclear-related commitments for the full duration of those commitments under the JCPOA, and *reaffirms* that Iran shall cooperate fully as the IAEA requests to be able to resolve all outstanding issues, as identified in IAEA reports;

4. *Requests* the Director General of the IAEA to provide regular updates to the IAEA Board of Governors and, as appropriate, in parallel to the Security Council on Iran's implementation of its commitments under the JCPOA and also to report to the IAEA Board of Governors and in parallel to the Security Council at any time if the Director General has reasonable grounds to believe there is an issue of concern directly affecting fulfilment of JCPOA commitments;

### **Terminations**

5. *Requests* that, as soon as the IAEA has verified that Iran has taken the actions specified in paragraphs 15.1-15.11 of Annex V of the JCPOA, the Director General of the IAEA submit a report confirming this fact to the IAEA Board of Governors and in parallel to the Security Council;

6. *Requests* further that, as soon as the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, the Director General of the IAEA submit a report confirming this conclusion to the IAEA Board of Governors and in parallel to the Security Council;

7. *Decides*, acting under Article 41 of the Charter of the United Nations, that, upon receipt by the Security Council of the report from the IAEA described in paragraph 5:

(a) The provisions of resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) shall be terminated;

(b) All States shall comply with paragraphs 1, 2, 4, and 5 and the provisions in subparagraphs (a)-(f) of paragraph 6 of Annex B for the duration specified in each paragraph or subparagraph, and are called upon to comply with paragraphs 3 and 7 of Annex B;

8. *Decides*, acting under Article 41 of the Charter of the United Nations, that on the date ten years after the JCPOA Adoption Day, as defined in the JCPOA, all the provisions of this resolution shall be terminated, and none of the previous resolutions described in paragraph 7 (a) shall be applied, the Security Council will have concluded its consideration of the Iranian nuclear issue, and the item "Non-proliferation" will be removed from the list of matters of which the Council is seized;

9. *Decides*, acting under Article 41 of the Charter of the United Nations, that the terminations described in Annex B and paragraph 8 of this resolution shall not occur if the provisions of previous resolutions have been applied pursuant to paragraph 12;

### Application of Provisions of Previous Resolutions

10. *Encourages* China, France, Germany, the Russian Federation, the United Kingdom, the United States, the European Union (EU), and Iran (the “JCPOA participants”) to resolve any issues arising with respect to implementation of JCPOA commitments through the procedures specified in the JCPOA, and *expresses* its intention to address possible complaints by JCPOA participants about significant non-performance by another JCPOA participant;

11. *Decides*, acting under Article 41 of the Charter of the United Nations, that, within 30 days of receiving a notification by a JCPOA participant State of an issue that the JCPOA participant State believes constitutes significant non-performance of commitments under the JCPOA, it shall vote on a draft resolution to continue in effect the terminations in paragraph 7 (a) of this resolution, *decides* further that if, within 10 days of the notification referred to above, no Member of the Security Council has submitted such a draft resolution for a vote, then the President of the Security Council shall submit such a draft resolution and put it to a vote within 30 days of the notification referred to above, and *expresses* its intention to take into account the views of the States involved in the issue and any opinion on the issue by the Advisory Board established in the JCPOA;

12. *Decides*, acting under Article 41 of the Charter of the United Nations, that, if the Security Council does not adopt a resolution under paragraph 11 to continue in effect the terminations in paragraph 7 (a), then effective midnight Greenwich Mean Time after the thirtieth day after the notification to the Security Council described in paragraph 11, all of the provisions of resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010) that have been terminated pursuant to paragraph 7 (a) shall apply in the same manner as they applied before the adoption of this resolution, and the measures contained in paragraphs 7, 8 and 16 to 20 of this resolution shall be terminated, unless the Security Council decides otherwise;

13. *Underscores* that, in the event of a notification to the Security Council described in paragraph 11, Iran and the other JCPOA participants should strive to resolve the issue giving rise to the notification, *expresses* its intention to prevent the reapplication of the provisions if the issue giving rise to the notification is resolved, *decides*, acting under Article 41 of the Charter of the United Nations, that if the notifying JCPOA participant State informs the Security Council that such an issue has been resolved before the end of the 30-day period specified in paragraph 12 above, then the provisions of this resolution, including the terminations in paragraph 7 (a), shall remain in effect notwithstanding paragraph 12 above, and *notes* Iran’s statement that if the provisions of previous resolutions are applied pursuant to paragraph 12 in whole or in part, Iran will treat this as grounds to cease performing its commitments under the JCPOA;

14. *Affirms* that the application of the provisions of previous resolutions pursuant to paragraph 12 do not apply with retroactive effect to contracts signed between any party and Iran or Iranian individuals and entities prior to the date of application, provided that the activities contemplated under and execution of such contracts are consistent with the JCPOA, this resolution and the previous resolutions;

15. *Affirms* that any application of the provisions of previous resolutions pursuant to paragraph 12 is not intended to harm individuals and entities that, prior to that application of those provisions, engaged in business with Iran or Iranian individuals and entities that is consistent with the JCPOA and this resolution, *encourages* Member States to consult with each other with regard to such harm, and to take action to mitigate such unintended harm for these individuals and entities, and *decides* if the provisions of previous resolutions are applied pursuant to paragraph 12 not to impose measures with retroactive effect on individuals and entities for business activities with Iran that were consistent with the JCPOA, this resolution and the previous resolutions prior to the application of these provisions;

### **JCPOA Implementation**

16. *Decides*, acting under Article 41 of the Charter of the United Nations, to review recommendations of the Joint Commission regarding proposals by States to participate in or permit nuclear-related activities set forth in paragraph 2 of Annex B, and that such recommendations shall be deemed to be approved unless the Security Council adopts a resolution to reject a Joint Commission recommendation within five working days of receiving it;

17. *Requests* Member States seeking to participate in or permit activities set forth in paragraph 2 of Annex B to submit proposals to the Security Council, *expresses* its intention to share such proposals with the Joint Commission established in the JCPOA for its review, *invites* any Member of the Security Council to provide relevant information and opinions about these proposals, *encourages* the Joint Commission to give due consideration to any such information and opinions, and *requests* the Joint Commission to provide its recommendations on these proposals to the Security Council within twenty working days (or, if extended, within thirty working days);

18. *Requests* the Secretary-General, in order to support JCPOA implementation, to take the necessary administrative measures to facilitate communications with Member States and between the Security Council and the Joint Commission through agreed practical arrangements;

19. *Requests* the IAEA and the Joint Commission to consult and exchange information, where appropriate, as specified in the JCPOA, and *requests* further that the exporting states cooperate with the Joint Commission in accordance with Annex IV of the JCPOA;

20. *Requests* the Joint Commission to review proposals for transfers and activities described in paragraph 2 of Annex B with a view to recommending approval where consistent with this resolution and the provisions and objectives of the JCPOA so as to provide for the transfer of items, materials, equipment, goods and technology required for Iran's nuclear activities under the JCPOA, and *encourages* the Joint Commission to establish procedures to ensure detailed and thorough review of all such proposals;

### **Exemptions**

21. *Decides*, acting under Article 41 of the Charter of the United Nations, that the measures imposed in resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010) shall not apply to the supply, sale, or

transfer of items, materials, equipment, goods and technology, and the provision of any related technical assistance, training, financial assistance, investment, brokering or other services, by JCPOA participant States or Member States acting in coordination with them, that is directly related to: (a) the modification of two cascades at the Fordow facility for stable isotope production; (b) the export of Iran's enriched uranium in excess of 300 kilograms in return for natural uranium; and (c) the modernization of the Arak reactor based on the agreed conceptual design and, subsequently, on the agreed final design of such reactor;

22. *Decides*, acting under Article 41 of the Charter of the United Nations, that Member States engaging in the activities permitted in paragraph 21 shall ensure that: (a) all such activities are undertaken strictly in accordance with the JCPOA; (b) they notify the Committee established pursuant to resolution 1737 (2006) and, when constituted, the Joint Commission ten days in advance of such activities; (c) the requirements, as appropriate, of the Guidelines as set out in the relevant INFCIRC referenced in resolution 1737 (2006), as updated, have been met; (d) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; and (e) in case of supplied items, materials, equipment, goods and technology listed in the INFCIRCs referenced in resolution 1737 (2006), as updated, they also notify the IAEA within ten days of the supply, sale or transfers;

23. *Decides*, acting under Article 41 of the Charter of the United Nations, also that the measures imposed in resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1929 (2010) shall not apply to the extent necessary to carry out transfers and activities, as approved on a case-by-case basis in advance by the Committee established pursuant to resolution 1737 (2006), that are:

- (a) directly related to implementation of the nuclear-related actions specified in paragraphs 15.1-15.11 of Annex V of the JCPOA;
- (b) required for preparation for the implementation of the JCPOA; or,
- (c) determined by the Committee to be consistent with the objectives of this resolution;

24. *Notes* that the provisions of paragraphs 21, 22, 23 and 27 continue in effect if the provisions of previous resolutions are applied pursuant to paragraph 12;

#### **Other Matters**

25. *Decides* to make the necessary practical arrangements to undertake directly tasks related to the implementation of this resolution, including those tasks specified in Annex B and the release of guidance;

26. *Urges* all States, relevant United Nations bodies and other interested parties, to cooperate fully with the Security Council in its exercise of the tasks related to this resolution, in particular by supplying any information at their disposal on the implementation of the measures in this resolution;

27. *Decides* that all provisions contained in the JCPOA are only for the purposes of its implementation between the E3/EU+3 and Iran and should not be considered as setting precedents for any other State or for principles of international law and the rights and obligations under the Treaty on the Non-Proliferation of

Nuclear Weapons and other relevant instruments, as well as for internationally recognized principles and practices;

28. *Recalls* that the measures imposed by paragraph 12 of resolution 1737 (2006) shall not prevent a designated person or entity from making payment due under a contract entered into prior to the listing of such a person or entity, provided that the conditions specified in paragraph 15 of that resolution are met, and *underscores*, that if the provisions of previous resolutions are reapplied pursuant to paragraph 12 of this resolution, then this provision will apply;

29. *Emphasizes* the importance of all States taking the necessary measures to ensure that no claim shall lie at the instance of the Government of Iran, or any person or entity in Iran, or of persons or entities designated pursuant to resolution 1737 (2006) and related resolutions, or any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the application of the provisions of resolutions 1737 (2006), 1747 (2007), 1803 (2008), 1929 (2010) and this resolution;

30. *Decides* to remain seized of the matter until the termination of the provisions of this resolution in accordance with paragraph 8.

## **Annex A: Joint Comprehensive Plan of Action (JCPOA), Vienna, 14 July 2015**

### ***PREFACE***

The E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) and the Islamic Republic of Iran welcome this historic Joint Comprehensive Plan of Action (JCPOA), which will ensure that Iran's nuclear programme will be exclusively peaceful, and mark a fundamental shift in their approach to this issue. They anticipate that full implementation of this JCPOA will positively contribute to regional and international peace and security. Iran reaffirms that under no circumstances will Iran ever seek, develop or acquire any nuclear weapons.

Iran envisions that this JCPOA will allow it to move forward with an exclusively peaceful, indigenous nuclear programme, in line with scientific and economic considerations, in accordance with the JCPOA, and with a view to building confidence and encouraging international cooperation. In this context, the initial mutually determined limitations described in this JCPOA will be followed by a gradual evolution, at a reasonable pace, of Iran's peaceful nuclear programme, including its enrichment activities, to a commercial programme for exclusively peaceful purposes, consistent with international non-proliferation norms.

The E3/EU+3 envision that the implementation of this JCPOA will progressively allow them to gain confidence in the exclusively peaceful nature of Iran's programme. The JCPOA reflects mutually determined parameters, consistent with practical needs, with agreed limits on the scope of Iran's nuclear programme, including enrichment activities and R&D. The JCPOA addresses the E3/EU+3's concerns, including through comprehensive measures providing for transparency and verification.

The JCPOA will produce the comprehensive lifting of all UN Security Council sanctions as well as multilateral and national sanctions related to Iran's nuclear programme, including steps on access in areas of trade, technology, finance, and energy.

**PREAMBLE AND GENERAL PROVISIONS**

- i. The Islamic Republic of Iran and the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) have decided upon this long-term Joint Comprehensive Plan of Action (JCPOA). This JCPOA, reflecting a step-by-step approach, includes the reciprocal commitments as laid down in this document and the annexes hereto and is to be endorsed by the United Nations (UN) Security Council.
- ii. The full implementation of this JCPOA will ensure the exclusively peaceful nature of Iran's nuclear programme.
- iii. Iran reaffirms that under no circumstances will Iran ever seek, develop or acquire any nuclear weapons.
- iv. Successful implementation of this JCPOA will enable Iran to fully enjoy its right to nuclear energy for peaceful purposes under the relevant articles of the nuclear Non-Proliferation Treaty (NPT) in line with its obligations therein, and the Iranian nuclear programme will be treated in the same manner as that of any other non-nuclear-weapon state party to the NPT.
- v. This JCPOA will produce the comprehensive lifting of all UN Security Council sanctions as well as multilateral and national sanctions related to Iran's nuclear programme, including steps on access in areas of trade, technology, finance and energy.
- vi. The E3/EU+3 and Iran reaffirm their commitment to the purposes and principles of the United Nations as set out in the UN Charter.
- vii. The E3/EU+3 and Iran acknowledge that the NPT remains the cornerstone of the nuclear non-proliferation regime and the essential foundation for the pursuit of nuclear disarmament and for the peaceful uses of nuclear energy.
- viii. The E3/EU+3 and Iran commit to implement this JCPOA in good faith and in a constructive atmosphere, based on mutual respect, and to refrain from any action inconsistent with the letter, spirit and intent of this JCPOA that would undermine its successful implementation. The E3/EU+3 will refrain from imposing discriminatory regulatory and procedural requirements in lieu of the sanctions and restrictive measures covered by this JCPOA. This JCPOA builds on the implementation of the Joint Plan of Action (JPOA) agreed in Geneva on 24 November 2013.
- ix. A Joint Commission consisting of the E3/EU+3 and Iran will be established to monitor the implementation of this JCPOA and will carry out the functions provided for in this JCPOA. This Joint Commission will address issues arising from the implementation of this JCPOA and will operate in accordance with the provisions as detailed in the relevant annex.
- x. The International Atomic Energy Agency (IAEA) will be requested to monitor and verify the voluntary nuclear-related measures as detailed in this JCPOA. The IAEA will be requested to provide regular updates to the Board of Governors, and as provided for in this JCPOA, to the UN Security Council. All relevant rules and regulations of the IAEA with regard to the protection of information will be fully observed by all parties involved.

- x. All provisions and measures contained in this JCPOA are only for the purpose of its implementation between E3/EU+3 and Iran and should not be considered as setting precedents for any other state or for fundamental principles of international law and the rights and obligations under the NPT and other relevant instruments, as well as for internationally recognised principles and practices.
- xii. Technical details of the implementation of this JCPOA are dealt with in the annexes to this document.
- xiii. The EU and E3+3 countries and Iran, in the framework of the JCPOA, will cooperate, as appropriate, in the field of peaceful uses of nuclear energy and engage in mutually determined civil nuclear cooperation projects as detailed in Annex III, including through IAEA involvement.
- xiv. The E3+3 will submit a draft resolution to the UN Security Council endorsing this JCPOA affirming that conclusion of this JCPOA marks a fundamental shift in its consideration of this issue and expressing its desire to build a new relationship with Iran. This UN Security Council resolution will also provide for the termination on Implementation Day of provisions imposed under previous resolutions; establishment of specific restrictions; and conclusion of consideration of the Iran nuclear issue by the UN Security Council 10 years after the Adoption Day.
- xv. The provisions stipulated in this JCPOA will be implemented for their respective durations as set forth below and detailed in the annexes.
- xvi. The E3/EU+3 and Iran will meet at the ministerial level every 2 years, or earlier if needed, in order to review and assess progress and to adopt appropriate decisions by consensus.

***Iran and E3/EU+3 will take the following voluntary measures within the timeframe as detailed in this JCPOA and its Annexes***

**NUCLEAR**

**A. ENRICHMENT, ENRICHMENT R&D, STOCKPILES**

1. Iran's long term plan includes certain agreed limitations on all uranium enrichment and uranium enrichment-related activities including certain limitations on specific research and development (R&D) activities for the first 8 years, to be followed by gradual evolution, at a reasonable pace, to the next stage of its enrichment activities for exclusively peaceful purposes, as described in Annex I. Iran will abide by its voluntary commitments, as expressed in its own long-term enrichment and enrichment R&D plan to be submitted as part of the initial declaration for the Additional Protocol to Iran's Safeguards Agreement.
2. Iran will begin phasing out its IR-1 centrifuges in 10 years. During this period, Iran will keep its enrichment capacity at Natanz at up to a total installed uranium enrichment capacity of 5060 IR-1 centrifuges. Excess centrifuges and enrichment-related infrastructure at Natanz will be stored under IAEA continuous monitoring, as specified in Annex I.
3. Iran will continue to conduct enrichment R&D in a manner that does not accumulate enriched uranium. Iran's enrichment R&D with uranium for 10 years will only include IR-4, IR-5, IR-6 and IR-8 centrifuges as laid out in Annex I, and Iran will not engage in other isotope separation technologies for enrichment of uranium as specified in Annex I. Iran will continue testing IR-6 and IR-8 centrifuges, and will commence testing of up to 30 IR-6 and IR-8 centrifuges after eight and a half years, as detailed in Annex I.
4. As Iran will be phasing out its IR-1 centrifuges, it will not manufacture or assemble other centrifuges, except as provided for in Annex I, and will replace failed centrifuges with centrifuges of the same type. Iran will manufacture advanced centrifuge machines only for the purposes specified in this JCPOA. From the end of the eighth year, and as described in Annex I, Iran will start to manufacture agreed numbers of IR-6 and IR-8 centrifuge machines without rotors and will store all of the manufactured machines at Natanz, under IAEA continuous monitoring until they are needed under Iran's long-term enrichment and enrichment R&D plan.
5. Based on its own long-term plan, for 15 years, Iran will carry out its uranium enrichment-related activities, including safeguarded R&D exclusively in the Natanz Enrichment facility, keep its level of uranium enrichment at up to 3.67%, and, at Fordow, refrain from any uranium enrichment and uranium enrichment R&D and from keeping any nuclear material.
6. Iran will convert the Fordow facility into a nuclear, physics and technology centre. International collaboration including in the form of scientific joint partnerships will be established in agreed areas of research. 1044 IR-1 centrifuges in six cascades will remain in one wing at Fordow. Two of these cascades will spin without uranium and will be transitioned, including through appropriate infrastructure modification, for stable isotope production. The

other four cascades with all associated infrastructure will remain idle. All other centrifuges and enrichment-related infrastructure will be removed and stored under IAEA continuous monitoring as specified in Annex I.

7. During the 15 year period, and as Iran gradually moves to meet international qualification standards for nuclear fuel produced in Iran, it will keep its uranium stockpile under 300 kg of up to 3.67% enriched uranium hexafluoride (UF<sub>6</sub>) or the equivalent in other chemical forms. The excess quantities are to be sold based on international prices and delivered to the international buyer in return for natural uranium delivered to Iran, or are to be down-blended to natural uranium level. Enriched uranium in fabricated fuel assemblies from Russia or other sources for use in Iran's nuclear reactors will not be counted against the above stated 300 kg UF<sub>6</sub> stockpile, if the criteria set out in Annex I are met with regard to other sources. The Joint Commission will support assistance to Iran, including through IAEA technical cooperation as appropriate, in meeting international qualification standards for nuclear fuel produced in Iran. All remaining uranium oxide enriched to between 5% and 20% will be fabricated into fuel for the Tehran Research Reactor (TRR). Any additional fuel needed for the TRR will be made available to Iran at international market prices.

#### **B. ARAK, HEAVY WATER, REPROCESSING**

8. Iran will redesign and rebuild a modernised heavy water research reactor in Arak, based on an agreed conceptual design, using fuel enriched up to 3.67 %, in a form of an international partnership which will certify the final design. The reactor will support peaceful nuclear research and radioisotope production for medical and industrial purposes. The redesigned and rebuilt Arak reactor will not produce weapons grade plutonium. Except for the first core load, all of the activities for redesigning and manufacturing of the fuel assemblies for the redesigned reactor will be carried out in Iran. All spent fuel from Arak will be shipped out of Iran for the lifetime of the reactor. This international partnership will include participating E3/EU+3 parties, Iran and such other countries as may be mutually determined. Iran will take the leadership role as the owner and as the project manager and the E3/EU+3 and Iran will, before Implementation Day, conclude an official document which would define the responsibilities assumed by the E3/EU+3 participants.
9. Iran plans to keep pace with the trend of international technological advancement in relying on light water for its future power and research reactors with enhanced international cooperation, including assurance of supply of necessary fuel.
10. There will be no additional heavy water reactors or accumulation of heavy water in Iran for 15 years. All excess heavy water will be made available for export to the international market.
11. Iran intends to ship out all spent fuel for all future and present power and research nuclear reactors, for further treatment or disposition as provided for in relevant contracts to be duly concluded with the recipient party.
12. For 15 years Iran will not, and does not intend to thereafter, engage in any spent fuel reprocessing or construction of a facility capable of spent fuel

reprocessing, or reprocessing R&D activities leading to a spent fuel reprocessing capability, with the sole exception of separation activities aimed exclusively at the production of medical and industrial radio-isotopes from irradiated enriched uranium targets.

### C. TRANSPARENCY AND CONFIDENCE BUILDING MEASURES

13. Consistent with the respective roles of the President and Majlis (Parliament), Iran will provisionally apply the Additional Protocol to its Comprehensive Safeguards Agreement in accordance with Article 17(b) of the Additional Protocol, proceed with its ratification within the timeframe as detailed in Annex V and fully implement the modified Code 3.1 of the Subsidiary Arrangements to its Safeguards Agreement.
14. Iran will fully implement the “Roadmap for Clarification of Past and Present Outstanding Issues” agreed with the IAEA, containing arrangements to address past and present issues of concern relating to its nuclear programme as raised in the annex to the IAEA report of 8 November 2011 (GOV/2011/65). Full implementation of activities undertaken under the Roadmap by Iran will be completed by 15 October 2015, and subsequently the Director General will provide by 15 December 2015 the final assessment on the resolution of all past and present outstanding issues to the Board of Governors, and the E3+3, in their capacity as members of the Board of Governors, will submit a resolution to the Board of Governors for taking necessary action, with a view to closing the issue, without prejudice to the competence of the Board of Governors.
15. Iran will allow the IAEA to monitor the implementation of the voluntary measures for their respective durations, as well as to implement transparency measures, as set out in this JCPOA and its Annexes. These measures include: a long-term IAEA presence in Iran; IAEA monitoring of uranium ore concentrate produced by Iran from all uranium ore concentrate plants for 25 years; containment and surveillance of centrifuge rotors and bellows for 20 years; use of IAEA approved and certified modern technologies including on-line enrichment measurement and electronic seals; and a reliable mechanism to ensure speedy resolution of IAEA access concerns for 15 years, as defined in Annex I.
16. Iran will not engage in activities, including at the R&D level, that could contribute to the development of a nuclear explosive device, including uranium or plutonium metallurgy activities, as specified in Annex I.
17. Iran will cooperate and act in accordance with the procurement channel in this JCPOA, as detailed in Annex IV, endorsed by the UN Security Council resolution.

***SANCTIONS***

18. The UN Security Council resolution endorsing this JCPOA will terminate all provisions of previous UN Security Council resolutions on the Iranian nuclear issue - 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) – simultaneously with the IAEA-verified implementation of agreed nuclear-related measures by Iran and will establish specific restrictions, as specified in Annex V.<sup>1</sup>
19. The EU will terminate all provisions of the EU Regulation, as subsequently amended, implementing all nuclear-related economic and financial sanctions, including related designations, simultaneously with the IAEA-verified implementation of agreed nuclear-related measures by Iran as specified in Annex V, which cover all sanctions and restrictive measures in the following areas, as described in Annex II:
  - i. Transfers of funds between EU persons and entities, including financial institutions, and Iranian persons and entities, including financial institutions;
  - ii. Banking activities, including the establishment of new correspondent banking relationships and the opening of new branches and subsidiaries of Iranian banks in the territories of EU Member States;
  - iii. Provision of insurance and reinsurance;
  - iv. Supply of specialised financial messaging services, including SWIFT, for persons and entities set out in Attachment 1 to Annex II, including the Central Bank of Iran and Iranian financial institutions;
  - v. Financial support for trade with Iran (export credit, guarantees or insurance);
  - vi. Commitments for grants, financial assistance and concessional loans to the Government of Iran;
  - vii. Transactions in public or public-guaranteed bonds;
  - viii. Import and transport of Iranian oil, petroleum products, gas and petrochemical products;
  - ix. Export of key equipment or technology for the oil, gas and petrochemical sectors;
  - x. Investment in the oil, gas and petrochemical sectors;
  - xi. Export of key naval equipment and technology;
  - xii. Design and construction of cargo vessels and oil tankers;
  - xiii. Provision of flagging and classification services;
  - xiv. Access to EU airports of Iranian cargo flights;
  - xv. Export of gold, precious metals and diamonds;
  - xvi. Delivery of Iranian banknotes and coinage;

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<sup>1</sup> The provisions of this Resolution do not constitute provisions of this JCPOA.

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- xvii. Export of graphite, raw or semi-finished metals such as aluminum and steel, and export of software for integrating industrial processes;
  - xviii. Designation of persons, entities and bodies (asset freeze and visa ban) set out in Attachment 1 to Annex II; and
  - xix. Associated services for each of the categories above.
20. The EU will terminate all provisions of the EU Regulation implementing all EU proliferation-related sanctions, including related designations, 8 years after Adoption Day or when the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier.
21. The United States will cease the application, and will continue to do so, in accordance with this JCPOA of the sanctions specified in Annex II to take effect simultaneously with the IAEA-verified implementation of the agreed nuclear-related measures by Iran as specified in Annex V. Such sanctions cover the following areas as described in Annex II:
- i. Financial and banking transactions with Iranian banks and financial institutions as specified in Annex II, including the Central Bank of Iran and specified individuals and entities identified as Government of Iran by the Office of Foreign Assets Control on the Specially Designated Nationals and Blocked Persons List (SDN List), as set out in Attachment 3 to Annex II (including the opening and maintenance of correspondent and payable through-accounts at non-U.S. financial institutions, investments, foreign exchange transactions and letters of credit);
  - ii. Transactions in Iranian Rial;
  - iii. Provision of U.S. banknotes to the Government of Iran;
  - iv. Bilateral trade limitations on Iranian revenues abroad, including limitations on their transfer;
  - v. Purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt, including governmental bonds;
  - vi. Financial messaging services to the Central Bank of Iran and Iranian financial institutions set out in Attachment 3 to Annex II;
  - vii. Underwriting services, insurance, or reinsurance;
  - viii. Efforts to reduce Iran's crude oil sales;
  - ix. Investment, including participation in joint ventures, goods, services, information, technology and technical expertise and support for Iran's oil, gas and petrochemical sectors;
  - x. Purchase, acquisition, sale, transportation or marketing of petroleum, petrochemical products and natural gas from Iran;
  - xi. Export, sale or provision of refined petroleum products and petrochemical products to Iran;
  - xii. Transactions with Iran's energy sector;
  - xiii. Transactions with Iran's shipping and shipbuilding sectors and port operators;

- xiv. Trade in gold and other precious metals;
  - xv. Trade with Iran in graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes;
  - xvi. Sale, supply or transfer of goods and services used in connection with Iran's automotive sector;
  - xvii. Sanctions on associated services for each of the categories above;
  - xviii. Remove individuals and entities set out in Attachment 3 to Annex II from the SDN List, the Foreign Sanctions Evaders List, and/or the Non-SDN Iran Sanctions Act List; and
  - xix. Terminate Executive Orders 13574, 13590, 13622, and 13645, and Sections 5 – 7 and 15 of Executive Order 13628.
22. The United States will, as specified in Annex II and in accordance with Annex V, allow for the sale of commercial passenger aircraft and related parts and services to Iran; license non-U.S. persons that are owned or controlled by a U.S. person to engage in activities with Iran consistent with this JCPOA; and license the importation into the United States of Iranian-origin carpets and foodstuffs.
23. Eight years after Adoption Day or when the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier, the United States will seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, the sanctions specified in Annex II on the acquisition of nuclear-related commodities and services for nuclear activities contemplated in this JCPOA, to be consistent with the U.S. approach to other non-nuclear-weapon states under the NPT.
24. The E3/EU and the United States specify in Annex II a full and complete list of all nuclear-related sanctions or restrictive measures and will lift them in accordance with Annex V. Annex II also specifies the effects of the lifting of sanctions beginning on "Implementation Day". If at any time following the Implementation Day, Iran believes that any other nuclear-related sanction or restrictive measure of the E3/EU+3 is preventing the full implementation of the sanctions lifting as specified in this JCPOA, the JCPOA participant in question will consult with Iran with a view to resolving the issue and, if they concur that lifting of this sanction or restrictive measure is appropriate, the JCPOA participant in question will take appropriate action. If they are not able to resolve the issue, Iran or any member of the E3/EU+3 may refer the issue to the Joint Commission.
25. If a law at the state or local level in the United States is preventing the implementation of the sanctions lifting as specified in this JCPOA, the United States will take appropriate steps, taking into account all available authorities, with a view to achieving such implementation. The United States will actively encourage officials at the state or local level to take into account the changes in the U.S. policy reflected in the lifting of sanctions under this JCPOA and to refrain from actions inconsistent with this change in policy.

26. The EU will refrain from re-introducing or re-imposing the sanctions that it has terminated implementing under this JCPOA, without prejudice to the dispute resolution process provided for under this JCPOA. There will be no new nuclear-related UN Security Council sanctions and no new EU nuclear-related sanctions or restrictive measures. The United States will make best efforts in good faith to sustain this JCPOA and to prevent interference with the realisation of the full benefit by Iran of the sanctions lifting specified in Annex II. The U.S. Administration, acting consistent with the respective roles of the President and the Congress, will refrain from re-introducing or re-imposing the sanctions specified in Annex II that it has ceased applying under this JCPOA, without prejudice to the dispute resolution process provided for under this JCPOA. The U.S. Administration, acting consistent with the respective roles of the President and the Congress, will refrain from imposing new nuclear-related sanctions. Iran has stated that it will treat such a re-introduction or re-imposition of the sanctions specified in Annex II, or such an imposition of new nuclear-related sanctions, as grounds to cease performing its commitments under this JCPOA in whole or in part.
27. The E3/EU+3 will take adequate administrative and regulatory measures to ensure clarity and effectiveness with respect to the lifting of sanctions under this JCPOA. The EU and its Member States as well as the United States will issue relevant guidelines and make publicly accessible statements on the details of sanctions or restrictive measures which have been lifted under this JCPOA. The EU and its Member States and the United States commit to consult with Iran regarding the content of such guidelines and statements, on a regular basis and whenever appropriate.
28. The E3/EU+3 and Iran commit to implement this JCPOA in good faith and in a constructive atmosphere, based on mutual respect, and to refrain from any action inconsistent with the letter, spirit and intent of this JCPOA that would undermine its successful implementation. Senior Government officials of the E3/EU+3 and Iran will make every effort to support the successful implementation of this JCPOA including in their public statements.<sup>2</sup> The E3/EU+3 will take all measures required to lift sanctions and will refrain from imposing exceptional or discriminatory regulatory and procedural requirements in lieu of the sanctions and restrictive measures covered by the JCPOA.
29. The EU and its Member States and the United States, consistent with their respective laws, will refrain from any policy specifically intended to directly and adversely affect the normalisation of trade and economic relations with Iran inconsistent with their commitments not to undermine the successful implementation of this JCPOA.
30. The E3/EU+3 will not apply sanctions or restrictive measures to persons or entities for engaging in activities covered by the lifting of sanctions provided for in this JCPOA, provided that such activities are otherwise consistent with E3/EU+3 laws and regulations in effect. Following the lifting of sanctions under this JCPOA as specified in Annex II, ongoing investigations on possible

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<sup>2</sup> 'Government officials' for the U.S. means senior officials of the U.S. Administration.

infringements of such sanctions may be reviewed in accordance with applicable national laws.

31. Consistent with the timing specified in Annex V, the EU and its Member States will terminate the implementation of the measures applicable to designated entities and individuals, including the Central Bank of Iran and other Iranian banks and financial institutions, as detailed in Annex II and the attachments thereto. Consistent with the timing specified in Annex V, the United States will remove designation of certain entities and individuals on the Specially Designated Nationals and Blocked Persons List, and entities and individuals listed on the Foreign Sanctions Evaders List, as detailed in Annex II and the attachments thereto.
32. EU and E3+3 countries and international participants will engage in joint projects with Iran, including through IAEA technical cooperation projects, in the field of peaceful nuclear technology, including nuclear power plants, research reactors, fuel fabrication, agreed joint advanced R&D such as fusion, establishment of a state-of-the-art regional nuclear medical centre, personnel training, nuclear safety and security, and environmental protection, as detailed in Annex III. They will take necessary measures, as appropriate, for the implementation of these projects.
33. The E3/EU+3 and Iran will agree on steps to ensure Iran's access in areas of trade, technology, finance and energy. The EU will further explore possible areas for cooperation between the EU, its Member States and Iran, and in this context consider the use of available instruments such as export credits to facilitate trade, project financing and investment in Iran.

**IMPLEMENTATION PLAN**

34. Iran and the E3/EU+3 will implement their JCPOA commitments according to the sequence specified in Annex V. The milestones for implementation are as follows:
- i. Finalisation Day is the date on which negotiations of this JCPOA are concluded among the E3/EU+3 and Iran, to be followed promptly by submission of the resolution endorsing this JCPOA to the UN Security Council for adoption without delay.
  - ii. Adoption Day is the date 90 days after the endorsement of this JCPOA by the UN Security Council, or such earlier date as may be determined by mutual consent of the JCPOA participants, at which time this JCPOA and the commitments in this JCPOA come into effect. Beginning on that date, JCPOA participants will make necessary arrangements and preparations for the implementation of their JCPOA commitments.
  - iii. Implementation Day is the date on which, simultaneously with the IAEA report verifying implementation by Iran of the nuclear-related measures described in Sections 15.1. to 15.11 of Annex V, the EU and the United States take the actions described in Sections 16 and 17 of Annex V respectively and in accordance with the UN Security Council resolution, the actions described in Section 18 of Annex V occur at the UN level.
  - iv. Transition Day is the date 8 years after Adoption Day or the date on which the Director General of the IAEA submits a report stating that the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier. On that date, the EU and the United States will take the actions described in Sections 20 and 21 of Annex V respectively and Iran will seek, consistent with the Constitutional roles of the President and Parliament, ratification of the Additional Protocol.
  - v. UN Security Council resolution Termination Day is the date on which the UN Security Council resolution endorsing this JCPOA terminates according to its terms, which is to be 10 years from Adoption Day, provided that the provisions of previous resolutions have not been reinstated. On that date, the EU will take the actions described in Section 25 of Annex V.
35. The sequence and milestones set forth above and in Annex V are without prejudice to the duration of JCPOA commitments stated in this JCPOA.

**DISPUTE RESOLUTION MECHANISM**

36. If Iran believed that any or all of the E3/EU+3 were not meeting their commitments under this JCPOA, Iran could refer the issue to the Joint Commission for resolution; similarly, if any of the E3/EU+3 believed that Iran was not meeting its commitments under this JCPOA, any of the E3/EU+3 could do the same. The Joint Commission would have 15 days to resolve the issue, unless the time period was extended by consensus. After Joint Commission consideration, any participant could refer the issue to Ministers of Foreign Affairs, if it believed the compliance issue had not been resolved.

Ministers would have 15 days to resolve the issue, unless the time period was extended by consensus. After Joint Commission consideration – in parallel with (or in lieu of) review at the Ministerial level - either the complaining participant or the participant whose performance is in question could request that the issue be considered by an Advisory Board, which would consist of three members (one each appointed by the participants in the dispute and a third independent member). The Advisory Board should provide a non-binding opinion on the compliance issue within 15 days. If, after this 30-day process the issue is not resolved, the Joint Commission would consider the opinion of the Advisory Board for no more than 5 days in order to resolve the issue. If the issue still has not been resolved to the satisfaction of the complaining participant, and if the complaining participant deems the issue to constitute significant non-performance, then that participant could treat the unresolved issue as grounds to cease performing its commitments under this JCPOA in whole or in part and/or notify the UN Security Council that it believes the issue constitutes significant non-performance.

37. Upon receipt of the notification from the complaining participant, as described above, including a description of the good-faith efforts the participant made to exhaust the dispute resolution process specified in this JCPOA, the UN Security Council, in accordance with its procedures, shall vote on a resolution to continue the sanctions lifting. If the resolution described above has not been adopted within 30 days of the notification, then the provisions of the old UN Security Council resolutions would be re-imposed, unless the UN Security Council decides otherwise. In such event, these provisions would not apply with retroactive effect to contracts signed between any party and Iran or Iranian individuals and entities prior to the date of application, provided that the activities contemplated under and execution of such contracts are consistent with this JCPOA and the previous and current UN Security Council resolutions. The UN Security Council, expressing its intention to prevent the reapplication of the provisions if the issue giving rise to the notification is resolved within this period, intends to take into account the views of the States involved in the issue and any opinion on the issue of the Advisory Board. Iran has stated that if sanctions are reinstated in whole or in part, Iran will treat that as grounds to cease performing its commitments under this JCPOA in whole or in part.

## JCPOA Annex I – Nuclear-related measures

### A. GENERAL

1. The sequence of implementation of the commitments detailed in this Annex is specified in Annex V to the Joint Comprehensive Plan of Action (JCPOA). Unless otherwise specified, the durations of the commitments in this Annex are from Implementation Day.

### B. ARAK HEAVY WATER RESEARCH REACTOR

2. Iran will modernise the Arak heavy water research reactor to support peaceful nuclear research and radioisotopes production for medical and industrial purposes. Iran will redesign and rebuild the reactor, based on the agreed conceptual design (as attached to this Annex) to support its peaceful nuclear research and production needs and purposes, including testing of fuel pins and assembly prototypes and structural materials. The design will be such as to minimise the production of plutonium and not to produce weapon-grade plutonium in normal operation. The power of the redesigned reactor will not exceed 20 MWth. The E3/EU+3 and Iran share the understanding that the parameters in the conceptual design are subject to possible and necessary adjustments in developing the final design while fully preserving the above-mentioned purposes and principles of modernisation.
3. Iran will not pursue construction at the existing unfinished reactor based on its original design and will remove the existing calandria and retain it in Iran. The calandria will be made inoperable by filling any openings in the calandria with concrete such that the IAEA can verify that it will not be usable for a future nuclear application. In redesigning and reconstructing of the modernized Arak heavy water research reactor, Iran will maximise the use of existing infrastructure already installed at the current Arak research reactor.
4. Iran will take the leadership role as the owner and as the project manager, and have responsibility for overall implementation of the Arak modernisation project, with E3/EU+3 participants assuming responsibilities regarding the modernisation of the Arak reactor as described in this Annex. A Working Group composed of E3/EU+3 participants will be established to facilitate the redesigning and rebuilding of the reactor. An international partnership composed of Iran and the Working Group would implement the Arak modernisation project. The Working Group could be enlarged to include other countries by consensus of the participants of the Working Group and Iran. E3/EU+3 participants and Iran will conclude an official document expressing their strong commitments to the Arak modernisation project in advance of Implementation Day which would provide an assured path forward to modernise the reactor and would define the responsibilities assumed by the E3/EU+3 participants, and subsequently contracts would be concluded. The participants of the Working Group will provide assistance needed by Iran for redesigning and rebuilding the reactor, consistent with their respective national laws, in such a manner as to enable the safe and timely construction and commissioning of the modernised reactor.
5. Iran and the Working Group will cooperate to develop the final design of the modernised reactor and the design of the subsidiary laboratories to be carried

out by Iran, and review conformity with international safety standards, such that the reactor can be licensed by the relevant Iranian regulatory authority for commissioning and operation. The final design of the modernised reactor and the design of the subsidiary laboratories will be submitted to the Joint Commission. The Joint Commission will aim to complete its review and endorsement within three months after the submission of the final design. If the Joint Commission does not complete its review and endorsement within three months, Iran could raise the issue through the dispute resolution mechanism envisaged by this JCPOA.

6. The IAEA will monitor the construction and report to the Working Group for confirmation that the construction of the modernised reactor is consistent with the approved final design.
7. As the project manager, Iran will take responsibility for the construction efforts. E3/EU+3 parties will, consistent with their national laws, take appropriate administrative, legal, technical, and regulatory measures to support co-operation.

E3/EU+3 parties will support the purchase by Iran, the transfer and supply of necessary materials, equipment, instrumentation and control systems and technologies required for the construction of the redesigned reactor, through the mechanism established by this JCPOA, as well as through exploration of relevant funding contributions.

8. E3/EU+3 parties will also support and facilitate the timely and safe construction of the modernized Arak reactor and its subsidiary laboratories, upon request by Iran, through IAEA technical cooperation if appropriate, including but not limited to technical and financial assistance, supply of required materials and equipment, state-of-the-art instrumentation and control systems and equipment and support for licensing and authorization.
9. The redesigned reactor will use up to 3.67 percent enriched uranium in the form of UO<sub>2</sub> with a mass of approximately 350 kg of UO<sub>2</sub> in a full core load, with a fuel design to be reviewed and approved by the Joint Commission. The international partnership with the participation of Iran will fabricate the initial fuel core load for the reactor outside Iran. The international partnership will cooperate with Iran, including through technical assistance, to fabricate, test and license fuel fabrication capabilities in Iran for subsequent fuel core reloads for future use with this reactor. Destructive and non-destructive testing of this fuel including Post-Irradiation-Examination (PIE) will take place in one of the participating countries outside of Iran and that country will work with Iran to license the subsequent fuel fabricated in Iran for the use in the redesigned reactor under IAEA monitoring.
10. Iran will not produce or test natural uranium pellets, fuel pins or fuel assemblies, which are specifically designed for the support of the originally designed Arak reactor, designated by the IAEA as IR-40. Iran will store under IAEA continuous monitoring all existing natural uranium pellets and IR-40 fuel assemblies until the modernised Arak reactor becomes operational, at which point these natural uranium pellets and IR-40 fuel assemblies will be converted to UNH, or exchanged with an equivalent quantity of natural uranium. Iran will make the necessary technical modifications to the natural

uranium fuel production process line that was intended to supply fuel for the IR-40 reactor design, such that it can be used for the fabrication of the fuel reloads for the modernised Arak reactor.

11. All spent fuel from the redesigned Arak reactor, regardless of its origin, for the lifetime of the reactor, will be shipped out of Iran to a mutually determined location in E3/EU+3 countries or third countries, for further treatment or disposition as provided for in relevant contracts to be concluded, consistent with national laws, with the recipient party, within one year from the unloading from the reactor or whenever deemed to be safe for transfer by the recipient country.
12. Iran will submit the DIQ of the redesigned reactor to the IAEA which will include information on the planned radio-isotope production and reactor operation programme. The reactor will be operated under IAEA monitoring.
13. Iran will operate the Fuel Manufacturing Plant only to produce fuel assemblies for light water reactors and reloads for the modernized Arak reactor.

#### **C. HEAVY WATER PRODUCTION PLANT**

14. All excess heavy water which is beyond Iran's needs for the modernised Arak research reactor, the Zero power heavy water reactor, quantities needed for medical research and production of deuterate solutions and chemical compounds including, where appropriate, contingency stocks, will be made available for export to the international market based on international prices and delivered to the international buyer for 15 years. Iran's needs, consistent with the parameters above, are estimated to be 130 metric tonnes of nuclear grade heavy water or its equivalent in different enrichments prior to commissioning of the modernised Arak research reactor, and 90 metric tonnes after the commissioning, including the amount contained in the reactor.
15. Iran will inform the IAEA about the inventory and the production of the HWPP and will allow the IAEA to monitor the quantities of the heavy water stocks and the amount of heavy water produced, including through IAEA visits, as requested, to the HWPP.

#### **D. OTHER REACTORS**

16. Consistent with its plan, Iran will keep pace with the trend of international technological advancement in relying only on light water for its future nuclear power and research reactors with enhanced international cooperation including assurances of supply of necessary fuel.
17. Iran intends to ship out all spent fuel for all future and present nuclear power and research reactors, for further treatment or disposition as provided for in relevant contracts to be concluded consistent with national laws with the recipient party.

#### **E. SPENT FUEL REPROCESSING ACTIVITIES**

18. For 15 years Iran will not, and does not intend to thereafter, engage in any spent fuel reprocessing or spent fuel reprocessing R&D activities. For the purpose of this annex, spent fuel includes all types of irradiated fuel.

19. For 15 years Iran will not, and does not intend to thereafter, reprocess spent fuel except for irradiated enriched uranium targets for production of radioisotopes for medical and peaceful industrial purposes.
20. For 15 years Iran will not, and does not intend to thereafter, develop, acquire or build facilities capable of separation of plutonium, uranium or neptunium from spent fuel or from fertile targets, other than for production of radioisotopes for medical and peaceful industrial purposes.
21. For 15 years, Iran will only develop, acquire, build, or operate hot cells (containing a cell or interconnected cells), shielded cells or shielded glove boxes with dimensions less than 6 cubic meters in volume compatible with the specifications set out in Annex I of the Additional Protocol. These will be co-located with the modernised Arak research reactor, the Tehran Research Reactor, and radio-medicine production complexes, and only capable of the separation and processing of industrial or medical isotopes and non-destructive PIE. The needed equipment will be acquired through the procurement mechanism established by this JCPOA. For 15 years, Iran will develop, acquire, build, or operate hot cells (containing a cell or interconnected cells), shielded cells or shielded glove boxes with dimensions beyond 6 cubic meters in volume and specifications set out in Annex I of the Additional Protocol, only after approval by the Joint Commission.
22. The E3/EU+3 are ready to facilitate all of the destructive and non-destructive examinations on fuel elements and/or fuel assembly prototypes including PIE for all fuel fabricated in or outside Iran and irradiated in Iran, using their existing facilities outside Iran. Except for the Arak research reactor complex, Iran will not develop, build, acquire or operate hot cells capable of performing PIE or seek to acquire equipment to build/develop such a capability, for 15 years.
23. For 15 years, in addition to continuing current fuel testing activities at the TRR, Iran will undertake non-destructive post irradiation examination (PIE) of fuel pins, fuel assembly prototypes and structural materials. These examinations will be exclusively at the Arak research reactor complex. However, the E3/EU+3 will make available their facilities to conduct destructive testing with Iranian specialists, as agreed. The hot cells at the Arak research reactor in which non-destructive PIE are performed will not be physically interconnected to cells that process or handle materials for the production of medical or industrial radioisotopes.
24. For 15 years, Iran will not engage in producing or acquiring plutonium or uranium metals or their alloys, or conducting R&D on plutonium or uranium (or their alloys) metallurgy, or casting, forming, or machining plutonium or uranium metal.
25. Iran will not produce, seek, or acquire separated plutonium, highly enriched uranium (defined as 20% or greater uranium-235), or uranium-233, or neptunium-237 (except for use as laboratory standards or in instruments using neptunium-237) for 15 years.
26. If Iran seeks to initiate R&D on uranium metal based TRR fuel in small agreed quantities after 10 years and before 15 years, Iran will present its plan to, and seek approval by, the Joint Commission.

**F. ENRICHMENT CAPACITY**

27. Iran will keep its enrichment capacity at no more than 5060 IR-1 centrifuge machines in no more than 30 cascades in their current configurations in currently operating units at the Natanz Fuel Enrichment Plant (FEP) for 10 years.
28. Iran will keep its level of uranium enrichment at up to 3.67 percent for 15 years.
29. Iran will remove the following excess centrifuges and infrastructure not associated with 5060 IR-1 centrifuges in FEP, which will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring:
  - 29.1. All excess centrifuge machines, including IR-2m centrifuges. Excess IR-1 centrifuges will be used for the replacement of failed or damaged centrifuges of the same type on a one-for-one basis.
  - 29.2. UF6 pipework including sub headers, valves and pressure transducers at cascade level, and frequency inverters, and UF6 withdrawal equipment from one of the withdrawal stations, which is currently not in service, including its vacuum pumps and chemical traps.
30. For the purpose of this Annex, the IAEA will confirm through the established practice the failed or damaged status of centrifuge machines before removal.
31. For 15 years, Iran will install gas centrifuge machines, or enrichment-related infrastructure, whether suitable for uranium enrichment, research and development, or stable isotope enrichment, exclusively at the locations and for the activities specified under this JCPOA.

**G. CENTRIFUGES RESEARCH AND DEVELOPMENT**

32. Iran will continue to conduct enrichment R&D in a manner that does not accumulate enriched uranium. For 10 years and consistent with its enrichment R&D plan, Iran's enrichment R&D with uranium will only include IR-4, IR-5, IR-6 and IR-8 centrifuges. Mechanical testing on up to two single centrifuges for each type will be carried out only on the IR-2m, IR-4, IR-5, IR-6, IR-6s, IR-7 and IR-8. Iran will build or test, with or without uranium, only those gas centrifuges specified in this JCPOA.
33. Consistent with its plan, Iran will continue working with the 164-machine IR-2m cascade at PFEP in order to complete the necessary tests until 30 November 2015 or the day of implementation of this JCPOA, whichever comes later, and after that it will take these machines out of the PFEP and store them under IAEA continuous monitoring at Natanz in Hall B of FEP.
34. Consistent with its plan, Iran will continue working with the 164-machine IR-4 cascade at PFEP in order to complete the necessary tests until 30 November 2015 or the day of implementation of this JCPOA, whichever comes later, and after that it will take these machines out of the PFEP and store them under IAEA continuous monitoring at Natanz in Hall B of FEP.
35. Iran will continue the testing of a single IR-4 centrifuge machine and IR-4 centrifuge cascade of up to 10 centrifuge machines for 10 years.

36. Iran will test a single IR-5 centrifuge machine for 10 years.
37. Iran will continue testing of the IR-6 on single centrifuge machines and its intermediate cascades and will commence testing of up to 30 centrifuge machines from one and a half years before the end of year 10. Iran will proceed from single centrifuge machines and small cascades to intermediate cascades in a logical sequence.
38. Iran will commence, upon start of implementation of the JCPOA, testing of the IR-8 on single centrifuge machines and its intermediate cascades and will commence the testing of up to 30 centrifuges machines from one and a half years before the end of year 10. Iran will proceed from single centrifuges to small cascades to intermediate cascades in a logical sequence.
39. For 10 years, Iran, consistent with the established practice, will recombine the enriched and depleted streams from the IR-6 and IR-8 cascades through the use of welded pipework on withdrawal main headers in a manner that precludes the withdrawal of enriched and depleted uranium materials and verified by the IAEA.
40. For 15 years, Iran will conduct all testing of centrifuges with uranium only at the PFEP. Iran will conduct all mechanical testing of centrifuges only at the PFEP and the Tehran Research Centre.
41. For the purpose of adapting PFEP to the R&D activities in the enrichment and enrichment R&D plan, Iran will remove all centrifuges except those needed for testing as described in the relevant paragraphs above, except for the IR-1 cascade (No. 1) as described below. For the full IR-1 cascade (No. 6), Iran will modify associated infrastructure by removing UF<sub>6</sub> pipework, including sub-headers, valves and pressure transducers at cascade level, and frequency inverters. The IR-1 cascade (No. 1) centrifuges will be kept but made inoperable, as verified by the IAEA, through the removal of centrifuge rotors and the injection of epoxy resin into the sub headers, feeding, product, and tails pipework, and the removal of controls and electrical systems for vacuum, power and cooling. Excess centrifuges and infrastructure will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring. The R&D space in line No. 6 will be left empty until Iran needs to use it for its R&D programme.
42. Consistent with the activities in the enrichment and enrichment R&D plan, Iran will maintain the cascade infrastructure for testing of single centrifuges and small and intermediate cascades in two R&D lines (No. 2 and No. 3) and will adapt two other lines (No. 4 and No. 5) with infrastructure similar to that for lines No. 2 and No. 3 in order to enable future R&D activities as specified in this JCPOA. Adaptation will include modification of all UF<sub>6</sub> pipework (including removal of all sub headers except as agreed as needed for the R&D programme) and associated instrumentation to be compatible with single centrifuges and small and intermediate cascade testing instead of full scale testing.
43. Consistent with its plan and internationally established practices, Iran intends to continue R&D on new types of centrifuges through computer modelling and simulations, including at universities. For any such project to proceed to a

prototype stage for mechanical testing within 10 years, a full presentation to, and approval by, the Joint Commission is needed.

#### H. FORDOW FUEL ENRICHMENT PLANT

44. The Fordow Fuel Enrichment Plant (FFEP) will be converted into a nuclear, physics, and technology centre and international collaboration will be encouraged in agreed areas of research. The Joint Commission will be informed in advance of the specific projects that will be undertaken at Fordow.
45. Iran will not conduct any uranium enrichment or any uranium enrichment related R&D and will have no nuclear material at the Fordow Fuel Enrichment Plant (FFEP) for 15 years.
46. For 15 years, Iran will maintain no more than 1044 IR-1 centrifuge machines at one wing of the FFEP of which:
  - 46.1. Two cascades that have not experienced UF6 before will be modified for the production of stable isotopes. The transition to stable isotope production of these cascades at FFEP will be conducted in joint partnership between the Russian Federation and Iran on the basis of arrangements to be mutually agreed upon. To prepare these two cascades for installation of a new cascade architecture appropriate for stable isotope production by the joint partnership, Iran will remove the connection to the UF6 feed main header, and move cascade UF6 pipework (except for the dump line in order to maintain vacuum) to storage in Fordow under IAEA continuous monitoring. The Joint Commission will be informed about the conceptual framework of stable isotope production at FFEP.
  - 46.2. For four cascades with all associated infrastructure remaining except for pipework that enables crossover tandem connections, two will be placed in an idle state, not spinning. The other two cascades will continue to spin until the transition to stable isotope production described in the previous subparagraph has been completed. Upon completion of the transition to stable isotope production described in the previous subparagraph, these two spinning cascades will be placed in an idle state, not spinning.
47. Iran will:
  - 47.1. remove the other 2 cascades of IR-1 centrifuges from this wing, by removing all centrifuges and cascade UF6 pipework, including sub-headers, valves and pressure transducers at cascade level, and frequency inverters.
  - 47.2. also subsequently remove cascade electrical cabling, individual cascade control cabinets and vacuum pumps. All these excess centrifuges and infrastructure will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring.
48. Iran will:
  - 48.1. remove all excess centrifuges and uranium enrichment related infrastructure from the other wing of the FFEP. This will include removal

of all centrifuges and UF6 pipework, including sub headers, valves and pressure gauges and transducers, and frequency inverters and converters, and UF6 feed and withdrawal stations.

48.2. also subsequently remove cascade electrical cabling, individual cascade control cabinets, vacuum pumps and centrifuge mounting blocks. All these excess centrifuges and infrastructure will be stored at Natanz in Hall B of FEP under IAEA continuous monitoring.

49. Centrifuges from the four idle cascades may be used for the replacement of failed or damaged centrifuges in stable isotope production at Fordow.
50. Iran will limit its stable isotope production activities with gas centrifuges to the FFEP for 15 years and will use no more than 348 IR-1 centrifuges for these activities at the FFEP. The associated R&D activities in Iran will occur at the FFEP and at Iran's declared and monitored centrifuge manufacturing facilities for testing, modification and balancing these IR-1 centrifuges.
51. The IAEA will establish a baseline for the amount of uranium legacy from past enrichment operations that will remain in Fordow. Iran will permit the IAEA regular access, including daily as requested by the IAEA, access to the FFEP in order to monitor Iran's production of stable isotopes and the absence of undeclared nuclear material and activities at the FFEP for 15 years.

#### **I. OTHER ASPECTS OF ENRICHMENT**

52. Iran will abide by its voluntary commitments as expressed in its own long term enrichment and enrichment R&D plan to be submitted as part of the initial declaration described in Article 2 of the Additional Protocol.<sup>1</sup> The IAEA will confirm on an annual basis, for the duration of the plan that the nature and scope and scale of Iran's enrichment and enrichment R&D activities are in line with this plan.
53. Iran will start to install necessary infrastructure for the IR-8 at Natanz in Hall B of FEP after year 10.
54. An agreed template for describing different centrifuge types (IR-1, IR-2m, IR-4, IR-5, IR-6, IR-6s, IR-7, IR-8) and the associated definitions need to be accomplished by implementation day.
55. An agreed procedure for measuring IR-1, IR-2m and IR-4 centrifuge performance data needs to be accomplished by implementation day.

#### **J. URANIUM STOCKS AND FUELS**

56. Iran will maintain a total enriched uranium stockpile of no more than 300 kg of up to 3.67% enriched uranium hexafluoride (or the equivalent in different chemical forms) for 15 years.
57. All enriched uranium hexafluoride in excess of 300 kg of up to 3.67% enriched UF6 (or the equivalent in different chemical forms) will be down blended to natural uranium level or be sold on the international market and delivered to the international buyer in return for natural uranium delivered to

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<sup>1</sup> Iran will permit the IAEA to share the content of the enrichment and enrichment R&D plan, as submitted as part of the initial declaration, with the Joint Commission participants.

Iran. Iran will enter into a commercial contract with an entity outside Iran for the purchase and transfer of its enriched uranium stockpile in excess of 300 kg UF<sub>6</sub> in return for natural uranium delivered to Iran. The E3/EU+3 will facilitate, where applicable, the conclusion and implementation of this contract. Iran may choose to seek to sell excess enriched uranium to the IAEA fuel bank in Kazakhstan when the fuel bank becomes operational.

58. All uranium oxide enriched to between 5% and 20% will be fabricated into fuel plates for the Tehran Research Reactor or transferred, based on a commercial transaction, outside of Iran or diluted to an enrichment level of 3.67% or less. Scrap oxide and other forms not in plates that cannot be fabricated into TRR fuel plates will be transferred, based on a commercial transaction, outside of Iran or diluted to an enrichment level of 3.67% or less. In case of future supply of 19.75% enriched uranium oxide (U<sub>3</sub>O<sub>8</sub>) for TRR fuel plates fabrication, all scrap oxide and other forms not in plates that cannot be fabricated into TRR fuel plates, containing uranium enriched to between 5% and 20%, will be transferred, based on a commercial transaction, outside of Iran or diluted to an enrichment level of 3.67% or less within 6 months of its production. Scrap plates will be transferred, based on a commercial transaction, outside Iran. The commercial transactions should be structured to return an equivalent amount of natural uranium to Iran. For 15 years, Iran will not build or operate facilities for converting fuel plates or scrap back to UF<sub>6</sub>.
59. Russian designed, fabricated and licensed fuel assemblies for use in Russian-supplied reactors in Iran do not count against the 300 kg UF<sub>6</sub> stockpile limit. Enriched uranium in fabricated fuel assemblies from other sources outside of Iran for use in Iran's nuclear research and power reactors, including those which will be fabricated outside of Iran for the initial fuel load of the modernised Arak research reactor, which are certified by the fuel supplier and the appropriate Iranian authority to meet international standards, will not count against the 300 kg UF<sub>6</sub> stockpile limit. The Joint Commission will establish a Technical Working Group with the goal of enabling fuel to be fabricated in Iran while adhering to the agreed stockpile parameters (300 kg of up to 3.67 % enriched UF<sub>6</sub> or the equivalent in different chemical forms). This Technical Working Group will also, within one year, work to develop objective technical criteria for assessing whether fabricated fuel and its intermediate products can be readily converted to UF<sub>6</sub>. Enriched uranium in fabricated fuel assemblies and its intermediate products manufactured in Iran and certified to meet international standards, including those for the modernised Arak research reactor, will not count against the 300 kg UF<sub>6</sub> stockpile limit provided the Technical Working Group of the Joint Commission approves that such fuel assemblies and their intermediate products cannot be readily reconverted into UF<sub>6</sub>. This could for instance be achieved through impurities (e.g. burnable poisons or otherwise) contained in fuels or through the fuel being in a chemical form such that direct conversion back to UF<sub>6</sub> would be technically difficult without dissolution and purification. The objective technical criteria will guide the approval process of the Technical Working Group. The IAEA will monitor the fuel fabrication process for any fuel produced in Iran to verify that the fuel and intermediate products comport with the fuel fabrication process that was approved by the Technical Working Group. The Joint Commission will also support assistance to Iran including through IAEA

technical cooperation as appropriate, in meeting international qualification standards for nuclear fuel produced by Iran.

60. Iran will seek to enter into a commercial contract with entities outside Iran for the purchase of fuel for the TRR and enriched uranium targets. The E3/EU+3 will facilitate, as needed, the conclusion and implementation of this contract. In the case of lack of conclusion of a contract with a fuel supplier, E3/EU+3 will supply a quantity of 19.75% enriched uranium oxide (U<sub>3</sub>O<sub>8</sub>) and deliver to Iran, exclusively for the purpose of fabrication in Iran of fuel for the TRR and enriched uranium targets for the lifetime of the reactor. This 19.75% enriched uranium oxide (U<sub>3</sub>O<sub>8</sub>) will be supplied in increments no greater than approximately 5 kg and each new increment will be provided only when the previous increment of this material has been verified by the IAEA to have been mixed with aluminum to make fuel for the TRR or fabricated into enriched uranium targets. Iran will notify the E3/EU+3 within 2 year before the contingency of TRR fuel will be exhausted in order to have the uranium oxide available 6 months before the end of the 2 year period.

#### **K. CENTRIFUGE MANUFACTURING**

61. Consistent with its enrichment and enrichment R&D plan, Iran will only engage in production of centrifuges, including centrifuge rotors suitable for isotope separation or any other centrifuge components, to meet the enrichment and enrichment R&D requirements of this Annex.
62. Consistent with its plan, Iran will use the stock of IR-1 centrifuge machines in storage, which are in excess of the remaining 5060 IR-1 centrifuges in Natanz and the IR-1 centrifuges installed at Fordow, for the replacement of failed or damaged machines. Whenever during the 10 year period from the start of the implementation of the JCPOA, the level of stock of IR-1 machines falls to 500 or below, Iran may maintain this level of stock by resuming production of IR-1 machines at a rate up to the average monthly crash rate without exceeding the stock of 500.
63. Consistent with its plan, at the end of year 8, Iran will commence manufacturing of IR-6 and IR-8 centrifuges without rotors through year 10 at a rate of up to 200 centrifuges per year for each type. After year 10, Iran will produce complete centrifuges with the same rate to meet its enrichment and enrichment R&D needs. Iran will store them at Natanz in an above ground location, under IAEA continuous monitoring, until they are needed for final assembly according to the enrichment and enrichment R&D plan.

#### **L. ADDITIONAL PROTOCOL AND MODIFIED CODE 3.1**

64. Iran will notify the IAEA of provisional application of the Additional Protocol to its Safeguards Agreement in accordance with Article 17(b) of the Additional Protocol pending its entry into force, and subsequently seek ratification and entry into force, consistent with the respective roles of the President and the Majlis (Parliament).
65. Iran will notify the IAEA that it will fully implement the Modified Code 3.1 of the Subsidiary Arrangement to Iran's Safeguards Agreement as long as the Safeguards Agreement remains in force.

**M. PAST AND PRESENT ISSUES OF CONCERN**

66. Iran will complete all activities as set out in paragraphs 2, 4, 5, and 6 of the “Roadmap for Clarification of Past and Present Outstanding Issues”, as verified by the IAEA in its regular updates by the Director General of the IAEA on the implementation of this Roadmap.

**N. MODERN TECHNOLOGIES AND LONG TERM PRESENCE OF IAEA**

67. For the purpose of increasing the efficiency of monitoring for this JCPOA, for 15 years or longer, for the specified verification measures:
- 67.1. Iran will permit the IAEA the use of on-line enrichment measurement and electronic seals which communicate their status within nuclear sites to IAEA inspectors, as well as other IAEA approved and certified modern technologies in line with internationally accepted IAEA practice. Iran will facilitate automated collection of IAEA measurement recordings registered by installed measurement devices and sending to IAEA working space in individual nuclear sites.
- 67.2. Iran will make the necessary arrangements to allow for a long-term IAEA presence, including issuing long-term visas, as well as providing proper working space at nuclear sites and, with best efforts, at locations near nuclear sites in Iran for the designated IAEA inspectors for working and keeping necessary equipment.
- 67.3. Iran will increase the number of designated IAEA inspectors to the range of 130-150 within 9 months from the date of the implementation of the JCPOA, and will generally allow the designation of inspectors from nations that have diplomatic relations with Iran, consistent with its laws and regulations.

**O. TRANSPARENCY RELATED TO URANIUM ORE CONCENTRATE (UOC)**

68. Iran will permit the IAEA to monitor, through agreed measures that will include containment and surveillance measures, for 25 years, that all uranium ore concentrate produced in Iran or obtained from any other source, is transferred to the uranium conversion facility (UCF) in Esfahan or to any other future uranium conversion facility which Iran might decide to build in Iran within this period.
69. Iran will provide the IAEA with all necessary information such that the IAEA will be able to verify the production of the uranium ore concentrate and the inventory of uranium ore concentrate produced in Iran or obtained from any other source for 25 years.

**P. TRANSPARENCY RELATED TO ENRICHMENT**

70. For 15 years, Iran will permit the IAEA to implement continuous monitoring, including through containment and surveillance measures, as necessary, to verify that stored centrifuges and infrastructure remain in storage, and are only used to replace failed or damaged centrifuges, as specified in this Annex.

71. Iran will permit the IAEA regular access, including daily access as requested by the IAEA, to relevant buildings at Natanz, including all parts of the FEP and PFEP, for 15 years.
72. For 15 years, the Natanz enrichment site will be the sole location for all of Iran's uranium enrichment related activities including safeguarded R&D.
73. Iran intends to apply nuclear export policies and practices in line with the internationally established standards for the export of nuclear material, equipment and technology. For 15 years, Iran will only engage, including through export of any enrichment or enrichment related equipment and technology, with any other country, or with any foreign entity in enrichment or enrichment related activities, including related research and development activities, following approval by the Joint Commission.

**Q. ACCESS**

74. Requests for access pursuant to provisions of this JCPOA will be made in good faith, with due observance of the sovereign rights of Iran, and kept to the minimum necessary to effectively implement the verification responsibilities under this JCPOA. In line with normal international safeguards practice, such requests will not be aimed at interfering with Iranian military or other national security activities, but will be exclusively for resolving concerns regarding fulfilment of the JCPOA commitments and Iran's other non-proliferation and safeguards obligations. The following procedures are for the purpose of JCPOA implementation between the E3/EU+3 and Iran and are without prejudice to the safeguards agreement and the Additional Protocol thereto. In implementing this procedure as well as other transparency measures, the IAEA will be requested to take every precaution to protect commercial, technological and industrial secrets as well as other confidential information coming to its knowledge.
75. In furtherance of implementation of the JCPOA, if the IAEA has concerns regarding undeclared nuclear materials or activities, or activities inconsistent with the JCPOA, at locations that have not been declared under the comprehensive safeguards agreement or Additional Protocol, the IAEA will provide Iran the basis for such concerns and request clarification.
76. If Iran's explanations do not resolve the IAEA's concerns, the Agency may request access to such locations for the sole reason to verify the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA at such locations. The IAEA will provide Iran the reasons for access in writing and will make available relevant information.
77. Iran may propose to the IAEA alternative means of resolving the IAEA's concerns that enable the IAEA to verify the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA at the location in question, which should be given due and prompt consideration.
78. If the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA cannot be verified after the implementation of the alternative arrangements agreed by Iran and the IAEA, or if the two sides are unable to reach satisfactory arrangements to verify the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA at the

specified locations within 14 days of the IAEA's original request for access, Iran, in consultation with the members of the Joint Commission, would resolve the IAEA's concerns through necessary means agreed between Iran and the IAEA. In the absence of an agreement, the members of the Joint Commission, by consensus or by a vote of 5 or more of its 8 members, would advise on the necessary means to resolve the IAEA's concerns. The process of consultation with, and any action by, the members of the Joint Commission would not exceed 7 days, and Iran would implement the necessary means within 3 additional days.

#### **R. CENTRIFUGE COMPONENT MANUFACTURING TRANSPARENCY**

79. Iran and the IAEA will take the necessary steps for containment and surveillance on centrifuge rotor tubes and bellows for 20 years.
80. In this context:
  - 80.1. Iran will provide the IAEA with an initial inventory of all existing centrifuge rotor tubes and bellows and subsequent reports on changes in such inventory and will permit the IAEA to verify the inventory by item counting and numbering, and through containment and surveillance, of all rotor tubes and bellows, including in all existing and newly produced centrifuges.
  - 80.2. Iran will declare all locations and equipment, namely flow-forming machines, filament-winding machines and mandrels that are used for production of centrifuge rotor tubes or bellows, and will permit the IAEA to implement continuous monitoring, including through containment and surveillance on this equipment, to verify that this equipment is being used to manufacture centrifuges only for the activities specified in this JCPOA.

#### **S. OTHER URANIUM ISOTOPE SEPARATION ACTIVITIES**

81. For 10 years, Iran's uranium isotope separation-related research and development or production activities will be exclusively based on gaseous centrifuge technology.<sup>2</sup> Iran will permit IAEA access to verify that uranium isotope separation production and R&D activities are consistent with this Annex.

#### **T. ACTIVITIES WHICH COULD CONTRIBUTE TO THE DESIGN AND DEVELOPMENT OF A NUCLEAR EXPLOSIVE DEVICE**

82. Iran will not engage in the following activities which could contribute to the development of a nuclear explosive device:
  - 82.1. Designing, developing, acquiring, or using computer models to simulate nuclear explosive devices.

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<sup>2</sup> For the purpose of this Annex, non-gaseous centrifuge uranium isotope separation-related research and development or production will include laser isotope separation systems, electromagnetic isotope separation systems, chemical exchange systems, gaseous diffusion systems, vortex and aerodynamic systems, and other such processes that separate uranium isotopes.

- 82.2. Designing, developing, fabricating, acquiring, or using multi-point explosive detonation systems suitable for a nuclear explosive device, unless approved by the Joint Commission for non-nuclear purposes and subject to monitoring.
- 82.3. Designing, developing, fabricating, acquiring, or using explosive diagnostic systems (streak cameras, framing cameras and flash x-ray cameras) suitable for the development of a nuclear explosive device, unless approved by the Joint Commission for non-nuclear purposes and subject to monitoring.
- 82.4. Designing, developing, fabricating, acquiring, or using explosively driven neutron sources or specialized materials for explosively driven neutron sources.

## Attachment: Arak conceptual design

### Fundamental Principles:

- Maximize use of the current infrastructure of original design of Arak research reactor, designated by the IAEA as IR-40, according to their respective ratings.
- Modernizing of the original design in order to be a multi-purpose research reactor comprising radio-isotope production, structural materials and fuel (pins and assembly prototypes) testing and able to conduct other neutronic experiments which demand high neutron fluxes (more than  $10^{14}$ ).
- Using heavy water as coolant, moderator and reflector. Light water would be utilized as an annular ring around the compact new core for safety reasons if necessary.
- Around 78 fuel assemblies in a tight hexagonal grid spacing with the following preliminary characteristics will be loaded.
- Up to 3.67 percent enriched  $UO_2$ , in the improved assembly design, will be used as fuel.
- Power will not exceed to 20 MWth.
- Adding different types of beam tubes to the existing beam tubes which being extended to the edge of the new compact core.
- Having one central channel in the center of the new core with passive cooling system for the purpose of structural materials and fuel pins and assembly prototypes testing with neutron flux beyond  $2 \cdot 10^{14}$ , twelve in-core irradiation channels (IIC) inside the core and twelve lateral irradiation channels (LIC) just next to the outer ring of fuel assemblies.
- The location of the in-core and lateral irradiation channels should be designed and fixed to meet the best anticipated performances.
- Consistent with relevant section of Annex 1, subsidiary laboratories are part of the modernization project of the Arak Research Reactor. In Addition, Annex III reinforce design and construction of subsidiary laboratories.
- The highest tolerable pressure for the first and second loop is 0.33 Mpa (at the interance of the reactor pit).
- The highest possible flow rate for coolant is 610 kg/s at the pressure of 0.33 MPa in the main piping system and 42 Kg/sec for Moderator with the same conditions.

**Preliminary Characteristics:**

<b>Core Parameters</b>	<b>Values</b>
Power (MW)	20
Number of fuel assemblies	~ 78
Active length (cm)	~ 110
Lattice configuration	Hexagonal
Fuel pellets Material	UO <sub>2</sub>
Fuel enrichment level	Up to 3.67 %
Clad material	Zr Alloys
Burnable poison	Yes, if necessary
Lattice pitch (cm)	~ 11
Coolant medium	D <sub>2</sub> O
Moderator medium	D <sub>2</sub> O
Reflector medium	D <sub>2</sub> O
Reflector thickness (cm)	~ 50
Purity of D2O	~ 99.8%
Mass of D2O (mtons)	~ 60-70
Yearly makeup	Yes
K <sub>eff</sub>	< 1.25
Core Excess reactivity (pcm)	< 20000
Cycle length (days) <small>approximativly</small>	~ 250
<sup>239</sup> Pu at EoC (g)	~ 850
<sup>239</sup> Pu purity at EoC	~ 78%
<sup>235</sup> U consumption	~ 60%
Maximum Thermal Flux, E<0.625ev	~ 3•10 <sup>14</sup>
Maximum Fast Flux, E>0.625ev	~ 1•10 <sup>14</sup>
Minimum Thermal Flux, E<0.625ev	~ 1•10 <sup>14</sup>
Minimum Fast Flux, E>0.625ev	~ 1•10 <sup>14</sup>
Fluid velocity in channels (m/s)	~ 3.8
Channel mass flow rate (kg/s)	~ 2.4
Working pressure (MPa)	0.33
Fluid inlet temperature (°C)	~ 47
Fluid outlet temperature (°C)	~ 78
Core material	Mainly S.S. 304
Core wall Thichness (mm)	~ 30
Fuel Pellet Diameter (cm)	~ 0.65
Inner Clad Diameter (cm)	~ 0.67
Outer Clad Diameter (cm)	~ 0.8
Number of pins per assembly	12
Mass of UO <sub>2</sub> in full core load (Kg)	~ 350
Core diameter (cm)	~ 240

## JCPOA Annex II – Sanctions-related commitments

The sequence of implementation of the commitments detailed in this Annex is specified in Annex V (Implementation Plan) to this Joint Comprehensive Plan of Action (JCPOA).

### A. European Union<sup>1</sup>

1. The EU and EU Member States commit to terminate all provisions of Council Regulation (EU) No 267/2012 (as subsequently amended) implementing all nuclear-related sanctions or restrictive measures as specified in Sections 1.1-1.10 below, to terminate all provisions of Council Decision 2010/413/CFSP (as subsequently amended), as specified in Sections 1.1-1.10 below, and to terminate or amend national implementing legislation as required, in accordance with Annex V:

#### 1.1. **Financial, banking and insurance measures**<sup>2</sup>

- 1.1.1 Prohibition and authorisation regimes on financial transfers to and from Iran (Article 10 of Council Decision 2010/413/CFSP; Articles 30, 30a, 30b and 31 of Council Regulation (EU) No 267/2012);
- 1.1.2. Sanctions on banking activities (Article 11 of Council Decision 2010/413/CFSP; Article 33 of Council Regulation (EU) No 267/2012);
- 1.1.3. Sanctions on insurance (Article 12 of Council Decision 2010/413/CFSP; Article 35 of Council Regulation (EU) No 267/2012);
- 1.1.4. Sanctions on financial messaging services (Article 20(12) of Council Decision 2010/413/CFSP; Article 23(4) of Council Regulation (EU) No 267/2012);
- 1.1.5. Sanctions on financial support for trade with Iran (Article 8 of Council Decision 2010/413/CFSP);
- 1.1.6. Sanctions on grants, financial assistance and concessional loans (Article 9 of Council Decision 2010/413/CFSP);
- 1.1.7. Sanctions on Government of Iran public-guaranteed bonds (Article 13 of Council Decision 2010/413/CFSP; Article 34 of Council Regulation (EU) No 267/2012); and
- 1.1.8. Sanctions on associated services<sup>3</sup> for each of the categories above (see the references above).

<sup>1</sup> For the purposes of EU legislation, “Iranian person, entity or body” means:

- (i) the State of Iran or any public authority thereof;
- (ii) any natural person in, or resident in, Iran;
- (iii) any legal person, entity or body having its registered office in Iran;
- (iv) any legal person, entity or body, inside or outside Iran, owned or controlled directly or indirectly by one or more of the above mentioned persons or bodies.

<sup>2</sup> The headings and subheadings in this Annex are for descriptive purposes only.

<sup>3</sup> For the purposes of this Annex, the term “associated services” means any service – including technical assistance, training, insurance, re-insurance, brokering, transportation or financial service – necessary and ordinarily incident to the underlying activity for which sanctions have been lifted pursuant to this JCPOA.

**1.2. Oil, gas and petrochemical sectors**

- 1.2.1. Sanctions on the import of oil and gas from Iran (Articles 3a, 3c and 3e of Council Decision 2010/413/CFSP; Articles 11, 12 and 14a, and Annexes IV and IVA of Council Regulation (EU) No 267/2012);
- 1.2.2. Sanctions on the import of Iranian petrochemical products (Articles 3b and 3d of Council Decision 2010/413/CFSP; Articles 13 and 14, and Annex V of Council Regulation (EU) No 267/2012);
- 1.2.3. Sanctions on the export of key equipment for the oil, gas and petrochemical sectors (Articles 4, 4a and 4b of Council Decision 2010/413/CFSP; Articles 8, 9 and 10, and Annexes VI and VIA of Council Regulation (EU) No 267/2012);
- 1.2.4. Sanctions on investment in the oil, gas and petrochemical sectors (Articles 6, 6a and 7 of Council Decision 2010/413/CFSP; Articles 17(1), 17(2)(b) and (c), 17(3), 17(4), 17(5), 20 and 21 of Council Regulation (EU) No 267/2012); and
- 1.2.5. Sanctions on associated services for each of the categories above (see the references above).

**1.3. Shipping, shipbuilding and transport sectors**

- 1.3.1. Sanctions related to shipping and shipbuilding (Articles 4g, 4h, 8a, 18a and 18b of Council Decision 2010/413/CFSP; Articles 10a, 10b, 10c, 37a, and 37b, and Annex VIB of Council Regulation (EU) No 267/2012);
- 1.3.2. Sanctions related to the transport sector (Articles 15, 16, 17 and 18 of Council Decision 2010/413/CFSP; Articles 36 and 37 of Council Regulation (EU) No 267/2012); and
- 1.3.3. Sanctions on associated services for each of the categories above (see the references above).

**1.4. Gold, other precious metals, banknotes and coinage**

- 1.4.1. Sanctions on gold, precious metals and diamonds, banknotes and coinage (Articles 4c and 4d of Council Decision 2010/413/CFSP; Articles 15 and 16, and Annex VII of Council Regulation (EU) No 267/2012); and
- 1.4.2. Sanctions on associated services for each of the categories above (see the references above).

**1.5. Nuclear proliferation-related measures**

- 1.5.1. Sanctions related to proliferation-sensitive nuclear activities (goods and technology, investment and specialised training) (Articles 1(1) (a), (b), (d), (e), (2), (3) and (4), 2, 3, 5, 14 and 21 of Council Decision 2010/413/CFSP; Articles 2, 3, 4, 5, 6, 7, 17(1) and (2)(a), 18, 19 and 22, and Annexes I, II and III of Council Regulation (EU) No 267/2012); and
- 1.5.2. Sanctions on associated services for the category above (see the references above).

**1.6. Metals**

- 1.6.1. Sanctions on metals (Articles 4e and 4f of Council Decision 2010/413/CFSP; Articles 15a, 15b and 15c, and Annex VIIB of Council Regulation (EU) No 267/2012); and
- 1.6.2. Sanctions on associated services for the category above (see the references above).

**1.7. Software**

- 1.7.1. Sanctions on software (Articles 4i and 4j of Council Decision 2010/413/CFSP; Articles 10d, 10e and 10f, and Annex VIIA of Council Regulation (EU) No 267/2012); and
- 1.7.2. Sanctions on associated services for the category above (see the references above).

**1.8. Arms**

- 1.8.1. Sanctions on arms (Articles 1(1)(c), (3) and (4), and 3 of Council Decision 2010/413/CFSP; Articles 5(1)(a) and (c), 17(1) and (2)(a), and 19 of Council Regulation (EU) No 267/2012); and
- 1.8.2. Sanctions on associated services for the category above (see the references above).

**1.9. Listing of persons, entities and bodies (asset freeze and visa ban)**

- 1.9.1. Asset freeze and visa ban measures applicable to:
  - 1.9.1.1. listed Iranian banks and financial institutions, including the Central Bank of Iran;
  - 1.9.1.2. listed persons, entities and bodies related to the oil, gas and petrochemical sectors;
  - 1.9.1.3. listed persons, entities and bodies related to shipping, shipbuilding and transport;
  - 1.9.1.4. other listed persons, entities and bodies not related to proliferation-sensitive nuclear-, arms- and ballistic missile-related activities;
  - 1.9.1.5. listed persons, entities and bodies related to proliferation-sensitive nuclear-, arms- and ballistic missile-related activities; and
  - 1.9.1.6. entities and individuals listed by the UN Security Council, as set out in Attachment 1, part I to this Annex for categories 1.9.1.1-1.9.1.4, Attachment 2, part I to this Annex for category 1.9.1.5, and Parts II of Attachments 1 and 2 to this Annex for category 1.9.1.6 (Articles 19 and 20, and Annexes I and II to Council Decision 2010/413/CFSP; Articles 23, 24, 25, 26, 27, 28, 28a, 28b and 29, and Annexes VIII and IX to Council Regulation (EU) No 267/2012).

**1.10. Other provisions**

1.10.1. The commitment in Section 1 covers all remaining provisions of Council Decision 2010/413/CFSP and Council Regulation (EU) No 267/2012 not specified above.

1.10.1.1. Definitions (Article 1 of Council Regulation (EU) No 267/2012); and

1.10.1.2. General and final provisions (Articles 22, 23, 24, 25, 26, 26a, 27 and 28 of Council Decision 2010/413/CFSP; Articles 38, 39, 40, 41, 42, 43, 43a, 44, 45, 46, 47, 48, 49, 50 and 51, and Annex X of Council Regulation (EU) No 267/2012).

2. The EU represents that the provisions listed in Section 1 above constitute the full and complete list of all EU nuclear-related sanctions or restrictive measures. These sanctions or restrictive measures will be lifted in accordance with Annex V.

**3. Effects of the lifting of EU economic and financial sanctions**

3.1. As a result of the lifting of sanctions specified in Section 1 above, the following activities, including associated services, will be allowed, beginning on implementation day, in accordance with this JCPOA and provided that such activities are otherwise consistent with EU and EU Member States' laws and regulations in effect:<sup>4</sup>

**3.2. Financial, banking and insurance measures (See Sections 1.1.1 to 1.1.8)**

3.2.1. Transfers of funds between EU persons, entities or bodies, including EU financial and credit institutions, and Iranian persons, entities or bodies, including Iranian financial and credit institutions, without the requirement for authorisation or notification;

3.2.2. Opening of new branches, subsidiaries or representative offices of Iranian banks in the territories of EU Member States; and the establishment of new joint ventures, or the taking of an ownership interest or the establishment of new correspondent banking relationships by Iranian banks with EU banks; and opening by EU persons, including EU financial and credit institutions, of representative offices, subsidiaries, joint ventures or bank accounts in Iran;

3.2.3. Provision of insurance or reinsurance to Iran or the Government of Iran, an Iranian legal person, entity or body, or a natural person or a legal person, entity or body acting on their behalf or at their direction;

3.2.4. Supply of specialised financial messaging services to any Iranian natural or legal persons, entities or bodies, including those listed in Attachment 1 to this Annex;

3.2.5. Entering into commitments by EU Member States to provide financial support for trade with Iran, including the granting of export credits,

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<sup>4</sup> Unless specifically provided otherwise, the sanctions lifting described in this Section does not apply to transactions that involve persons still subject to restrictive measures and is without prejudice to sanctions that may apply under legal provisions other than those referred to in Section 1. Nothing in this JCPOA reflects a change in Iran's position on EU sanctions.

- guarantees or insurance; and into commitments for grants, financial assistance and concessional loans to the Government of Iran; and
- 3.2.6. Sale or purchase of public or public-guaranteed bonds to and from Iran, the Government of Iran, the Central Bank of Iran, or Iranian banks and financial institutions or persons acting on their behalf.
- 3.3. Oil, gas and petrochemical sectors (See Sections 1.2.1 to 1.2.5)**
- 3.3.1. Import, purchase, swap or transport of Iranian crude oil and petroleum products, natural gas or petrochemical products and related financing;
- 3.3.2. Sale, supply, transfer or export of equipment or technology, technical assistance, including training, used in the sectors of the oil, gas and petrochemical industries in Iran covering exploration, production and refining of oil and natural gas, including liquefaction of natural gas, to any Iranian person, in or outside Iran, or for use in Iran; and
- 3.3.3. Granting of any financial loan or credit to, the acquisition or extension of a participation in, and the creation of any joint venture with, any Iranian person that is engaged in the oil, gas and petrochemical sectors in Iran or outside Iran.
- 3.4. Shipping, shipbuilding and transport sectors (See Sections 1.3.1 to 1.3.3)**
- 3.4.1. Sale, supply, transfer or export of naval equipment and technology for ship building, maintenance or refit, to Iran or to any Iranian persons engaged in this sector; the design, construction or the participation in the design or construction of cargo vessels and oil tankers for Iran or for Iranian persons; the provision of vessels designed or used for the transport or storage of oil and petrochemical products to Iranian persons, entities or bodies; and the provision of flagging and classification services, including those pertaining to technical specification, registration and identification numbers of any kind, to Iranian oil tankers and cargo vessels;
- 3.4.2. Access to the airports under the jurisdiction of EU Member States of all cargo flights operated by Iranian carriers or originating from Iran;
- 3.4.3. Cessation of inspection, seizure and disposal by EU Member States of cargoes to and from Iran in their territories with regard to items which are no longer prohibited; and
- 3.4.4. Provision of bunkering or ship supply services, or any other servicing of vessels, to Iranian-owned or Iranian-contracted vessels not carrying prohibited items; and the provision of fuel, engineering and maintenance services to Iranian cargo aircraft not carrying prohibited items.
- 3.5. Gold, other precious metals, banknotes and coinage (See Sections 1.4.1 to 1.4.2)**
- 3.5.1. Sale, supply, purchase, export, transfer or transport of gold and precious metals as well as diamonds, and provision of related brokering, financing and security services, to, from or for the Government of Iran, its public bodies, corporations and agencies, or the Central Bank of Iran; and
- 3.5.2. Delivery of newly printed or minted or unissued Iranian denominated banknotes and coinage to, or for the benefit of the Central Bank of Iran.

**3.6. Metals (See Sections 1.6.1 to 1.6.2)**

- 3.6.1. Sale, supply, transfer or export of graphite and raw or semi-finished metals, such as aluminum and steel to any Iranian person, entity or body or for use in Iran, in connection with activities consistent with this JCPOA.

**3.7. Software (See Sections 1.7.1 to 1.7.2)**

- 3.7.1. Sale, supply, transfer or export of software for integrating industrial processes, including updates, to any Iranian person, entity or body, or for use in Iran, in connection with activities consistent with this JCPOA,

**3.8. Listing of persons, entities and bodies (asset freeze and visa ban) (See Section 1.9.1)**

- 3.8.1. As a result of delisting as specified in this Annex, releasing of all funds and economic resources which belong to, and making available funds or economic resources to, the persons, entities and bodies, including Iranian banks and financial institutions, the Central Bank of Iran, listed in Attachment 1 to this Annex; and
- 3.8.2. As a result of delisting as specified in this Annex, entry into, or transit through the territories of EU Member States of individuals listed in Attachment 1 to this Annex.

**B. United States<sup>5</sup>**

4. The United States commits to cease the application of, and to seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, all nuclear-related sanctions<sup>6</sup> as specified in Sections 4.1-4.9 below, and to terminate Executive Orders 13574, 13590, 13622 and 13645, and Sections 5-7 and 15 of Executive Order 13628, in accordance with Annex V.<sup>7</sup>

**4.1. Financial and banking measures**

- 4.1.1. Sanctions on transactions with individuals and entities set out in Attachment 3 to this Annex, including: the Central Bank of Iran (CBI) and other specified Iranian financial institutions; the National Iranian Oil Company (NIOC),<sup>8</sup> Naftiran Intertrade Company (NICO), National Iranian Tanker Company (NITC) and other specified individuals and entities identified as Government of Iran by the Office of Foreign Assets Control; and certain designated individuals and entities on the Specially Designated Nationals and Blocked Persons List (SDN List) (Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) Section 104(c)(2)(E)(ii)(I); National Defense Authorization Act for Fiscal Year 2012 (NDAA) Sections 1245(d)(1) and (3); Iran Freedom and Counter-Proliferation Act of 2012 (IFCA) Sections 1244(c)(1) and (d), 1245(a)(1)(A), (a)(1)(C)(i)(II) and (c), 1246(a) and 1247(a); Sections 1(a)(i) and 5(a) of Executive Order (E.O.) 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);

<sup>5</sup> For the purposes of U.S. legislation, “Iranian person” means (A) an individual who is a citizen or national of Iran; and (B) an entity organised under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran.

<sup>6</sup> The sanctions that the United States will cease to apply, and subsequently terminate, or modify to effectuate the termination of, pursuant to its commitment under Section 4 are those directed towards non-U.S. persons. For the purposes of Sections 4 and 6-7 of this JCPOA, the term “non-U.S. person” means any individual or entity, excluding (i) any United States citizen, permanent resident alien, entity organised under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States, and (ii) any entity owned or controlled by a U.S. person. For the purposes of (ii) of the preceding sentence, an entity is “owned or controlled” by a U.S. person if the U.S. person: (i) holds a 50 percent or greater equity interest by vote or value in the entity; (ii) holds a majority of seats on the board of directors of the entity; or (iii) otherwise controls the actions, policies, or personnel decisions of the entity. U.S. persons and U.S.-owned or -controlled foreign entities will continue to be generally prohibited from conducting transactions of the type permitted pursuant to this JCPOA, unless authorised to do so by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC).

<sup>7</sup> All citations to statutes and Executive orders included in this JCPOA refer to the statute or Executive order as amended as of the conclusion date of this JCPOA, including: the Iran Sanctions Act of 1996 (ISA), as amended by Section 102 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) and Sections 201-207 and 311 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA); CISADA, as amended by Sections 214-216, 222, 224, 311-312, 402-403 and 605 of TRA and Section 1249 of the Iran Freedom and Counter-Proliferation Act of 2012 (IFCA); the National Defense Authorization Act for Fiscal Year 2012 (NDAA), as amended by Sections 503-504 of TRA and Section 1250 of IFCA; Executive Order (E.O.) 13622, as amended by Section 15 of E.O. 13628 and Section 16 of E.O. 13645. The citations listed in Section 4 include authorities under which secondary sanctions will no longer apply as a result of actions described in Section 4.8.1.

<sup>8</sup> Removal of NIOC from the SDN List, as provided for in Section 4.8.1, will include resolution of related designations and determinations.

- 4.1.2. Sanctions on the Iranian Rial (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 1(a), 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.3. Sanctions on the provision of U.S. banknotes to the Government of Iran (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.4. Bilateral trade limitations on Iranian revenues held abroad, including limitations on their transfer (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), (d) and (h)(2), 1246(a) and 1247(a); Sections 1(a)(i)-(ii), 2(a)(i) and 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.5. Sanctions on the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt, including governmental bonds (NDAA Sections 1245(d)(1) and (3); Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA) Section 213(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Sections 1(a)(i) and 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.1.6. Sanctions on financial messaging services to the CBI and Iranian financial institutions set out in Attachment 3 to this Annex (NDAA Sections 1245(d)(1) and (3); TRA Section 220; IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.1.7. Sanctions on associated services<sup>9</sup> for each of the categories above (see individual citation references above).

#### **4.2. Insurance measures**

- 4.2.1. Sanctions on the provision of underwriting services, insurance, or re-insurance in connection with activities consistent with this JCPOA, including activities with individuals and entities set forth in Attachment 3 to this Annex (Iran Sanctions Act of 1996 (ISA) Section 5(a)(7); NDAA Sections 1245(d)(1) and (3); TRA Sections 211(a) and 212(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645).

#### **4.3. Energy and petrochemical sectors**

- 4.3.1. Efforts to reduce Iran's crude oil sales, including limitations on the quantities of Iranian crude oil sold and the nations that can purchase Iranian crude oil (ISA Section 5(a)(7); NDAA Sections 1245(d)(1) and (3); TRA Section 212(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 1 of E.O. 13574, Sections 1(a)(i)-(ii), 2(a)(i) and 5(a) of E.O. 13622, Section 5 of E.O. 13628, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.3.2. Sanctions on investment, including participation in joint ventures, goods, services, information, technology and technical expertise and support for Iran's oil, gas, and petrochemical sectors (ISA Sections 5(a)(1)-(2) and

<sup>9</sup> See footnote 3 for the meaning of "associated services".

(4)-(8); TRA Section 212(a); IFCA Sections 1244(c)(1), (d) and (h)(2), 1245(a)(1)(B), (a)(1)(C)(i)(I)-(II), (a)(1)(C)(ii)(I)-(II) and (c), 1246(a) and 1247(a); Section 1 of E.O. 13574, Section 1 of E.O. 13590, Sections 1(a)(i)-(ii), 2(a)(i)-(iii) and 5(a) of E.O. 13622, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);

- 4.3.3. Sanctions on the purchase, acquisition, sale, transportation, or marketing of petroleum, petrochemical products and natural gas from Iran (NDAA Sections 1245(d)(1) and (3); TRA Section 212(a); IFCA Sections 1244(c)(1), (d) and (h)(2), 1246(a) and 1247(a); Sections 1(a)(i)-(iii), 2(a)(i)-(ii) and 5(a) of E.O. 13622, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.3.4. Sanctions on the export, sale or provision of refined petroleum products and petrochemical products to Iran (ISA Section 5(a)(3); NDAA Sections 1245(d)(1) and (3); TRA Section 212(a); IFCA Sections 1244(c)(1) and (d), 1246(a) and 1247(a); Section 1 of E.O. 13574, Sections 1(a)(i) and 5(a) of E.O. 13622, Section 5 of E.O. 13628, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645);
- 4.3.5. Sanctions on transactions with Iran's energy sector including with NIOC, NICO and NITC (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), (d) and (h)(2), 1246(a) and 1247(a); TRA Section 212(a); Sections 1(a)(i)-(iii), 2(a)(i)-(ii) and 5(a) of E.O. 13622, and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.3.6. Sanctions on associated services for each of the categories above (see individual citation references above).

#### **4.4. Shipping, shipbuilding and port sectors**

- 4.4.1. Sanctions on transactions with Iran's shipping and shipbuilding sectors and port operators including IRISL, South Shipping Line, and NITC, and the port operator(s) of Bandar Abbas<sup>10</sup> (TRA Sections 211(a) and 212(a); IFCA Sections 1244(c)(1) and (d); 1245(a)(1)(B), (a)(1)(C)(i)(I)-(II), (a)(1)(C)(ii)(I)-(II) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.4.2. Sanctions on associated services for each of the categories above (see individual citation references above).

#### **4.5. Gold and other precious metals**

- 4.5.1. Sanctions on Iran's trade in gold and other precious metals (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1245(a)(1)(A) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and
- 4.5.2. Sanctions on associated services for each of the categories above (see individual citation references above).

#### **4.6. Software and metals**

- 4.6.1. Sanctions on trade with Iran in graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes,

<sup>10</sup> This commitment in Section 4.4.1 is based on the port operator(s) of Bandar Abbas no longer being controlled by a person on the SDN List.

in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachments 3 and 4 to this Annex (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1245(a)(1)(B)-(C) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i) and 3(a)(i) of E.O. 13645); and

- 4.6.2. Sanctions on associated services for each of the categories above (see individual citation references above).

**4.7. Automotive sector**

- 4.7.1. Sanctions on the sale, supply or transfer of goods and services used in connection with Iran's automotive sector (NDAA Sections 1245(d)(1) and (3); IFCA Sections 1244(c)(1), 1245(a)(1)(B), (a)(1)(C)(i)(II), (a)(1)(C)(ii)(II) and (c), 1246(a) and 1247(a); Section 5(a) of E.O. 13622 and Sections 2(a)(i), 3(a)(i)-(ii), 5 and 6 of E.O. 13645); and

- 4.7.2. Sanctions on associated services for each of the categories above (see individual citation references above).

**4.8. Designations and other sanctions listings**

- 4.8.1. Removal of individuals and entities set out in Attachments 3 and 4 to this Annex from the Specially Designated Nationals and Blocked Persons List (SDN List), the Foreign Sanctions Evaders List, and/or the Non-SDN Iran Sanctions Act List (Removal of designations and/or sanctions imposed under ISA Section 5(a), IFCA Section 1244(d)(1) and TRA Section 212; and removals pursuant to the International Emergency Economic Powers Act of certain persons listed pursuant to E.O. 13382, E.O. 13608, E.O. 13622, and E.O. 13645).

**4.9. Nuclear proliferation-related measures**

- 4.9.1. Sanctions under the Iran, North Korea and Syria Nonproliferation Act on the acquisition of nuclear-related commodities and services for nuclear activities contemplated in the JCPOA, to be consistent with the U.S. approach to other non-nuclear-weapon states under the NPT;
- 4.9.2. Sanctions on joint ventures relating to the mining, production, or transportation of uranium (ISA Section 5(b)(2)); and
- 4.9.3. Exclusion of Iranian citizens from higher education coursework related to careers in nuclear science, nuclear engineering or the energy sector (TRA Section 501).

**5. Other trade measures**

- 5.1.** The United States commits to:<sup>11</sup>

- 5.1.1. Allow for the sale of commercial passenger aircraft and related parts and services to Iran by licensing the (i) export, re-export, sale, lease or transfer to Iran of commercial passenger aircraft for exclusively civil aviation end-use,

<sup>11</sup> To give effect to the measures described in this Section 5.1, the United States will license activities that do not involve any person on the SDN List and are otherwise consistent with applicable U.S. laws and regulations, including but not limited to the Export Administration Act, the Federal Food, Drug and Cosmetic Act and the Iran-Iraq Arms Nonproliferation Act.

- (ii) export, re-export, sale, lease or transfer to Iran of spare parts and components for commercial passenger aircraft, and (iii) provision of associated serviced, including warranty, maintenance, and repair services and safety-related inspections, for all the foregoing, provided that licensed items and services are used exclusively for commercial passenger aviation;<sup>12</sup>
- 5.1.2. License non-U.S. entities that are owned or controlled by a U.S. person<sup>13</sup> to engage in activities with Iran that are consistent with this JCPOA; and
- 5.1.3. License the importation into the United States of Iranian-origin carpets and foodstuffs, including pistachios and caviar.
6. The United States represents that the provisions listed in Section 4 above constitute the full and complete list of all U.S. nuclear-related sanctions. These sanctions will be lifted in accordance with Annex V.
7. **Effects of the lifting of U.S. economic and financial sanctions:**
- 7.1. As a result of the lifting of sanctions specified in Section 4 above, beginning on implementation day such sanctions, including associated services, would not apply to non-U.S. persons who carry out the following or that:<sup>14</sup>
- 7.2. **Financial and banking measures<sup>15</sup> (See Sections 4.1.1 to 4.1.7)**
- Engage in activities, including financial and banking transactions, with the Government of Iran, the Central Bank of Iran, Iranian financial institutions and other Iranian persons specified in Attachment 3 to this Annex, including the provision of loans, transfers, accounts (including the opening and maintenance of correspondent and payable through accounts at non-U.S. financial institutions), investments, securities, guarantees, foreign exchange (including Rial related transactions), letters of credit and commodity futures or options, the provision of specialised financial messaging services and facilitation of direct or indirect access thereto, the purchase or acquisition by

<sup>12</sup> Licenses issued in furtherance of Section 5.1.1 will include appropriate conditions to ensure that licensed activities do not involve, and no licensed aircraft, goods, or services are re-sold or re-transferred to, any person on the SDN list. Should the United States determine that licensed aircraft, goods, or services have been used for purposes other than exclusively civil aviation end-use, or have been re-sold or re-transferred to persons on the SDN List, the United States would view this as grounds to cease performing its commitments under Section 5.1.1 in whole or in part.

<sup>13</sup> For the purposes of Section 5.1.2 of this JCPOA, a non-U.S. entity is owned or controlled by a U.S. person if the U.S. person: (i) holds a 50 per cent or greater equity interest by vote or value in the entity; (ii) holds a majority of seats on the board of directors of the entity; or (iii) otherwise controls the actions, policies, or personnel decisions of the entity.

<sup>14</sup> Unless specifically provided otherwise, the sanctions lifting described in this Section does not apply to transactions that involve persons on the SDN List and is without prejudice to sanctions that may apply under legal provisions other than those cited in Section 4. Nothing in this JCPOA reflects a change in Iran's position on U.S. sanctions.

<sup>15</sup> For the purposes of the cessation of application of the provisions set out in Sections 4.1.1-4.1.7, the effects described for non-U.S. financial institutions extend to the activities outside of U.S. jurisdiction of international financial institutions.

the Government of Iran of U.S. bank notes, and the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt.<sup>16</sup>

**7.3. Insurance measures (See Section 4.2.1)**

Provide underwriting services, insurance, or re-insurance in connection with activities consistent with this JCPOA, including activities with individuals and entities set forth in Attachment 3 to this Annex, including underwriting services, insurance, or re-insurance in connection with activities in the energy, shipping, and shipbuilding sectors of Iran, for the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC), or for vessels that transport crude oil, natural gas, liquefied natural gas, petroleum and petrochemical products to or from Iran.

**7.4. Energy and petrochemical sectors (See Sections 4.3.1 to 4.3.6)**

Are part of the energy sector of Iran; purchase, acquire, sell, transport or market petroleum, petroleum products (including refined petroleum products), petrochemical products or natural gas (including liquefied natural gas) to or from Iran; provide to Iran support, investment (including through joint ventures), goods, services (including financial services) and technology that can be used in connection with Iran's energy sector, the development of its petroleum resources, its domestic production of refined petroleum products and petrochemical products; or engage in activities with Iran's energy sector, including NIOC, NITC, and NICO).

**7.5. Shipping, shipbuilding and port sectors (See Sections 4.4.1 to 4.4.2)**

Are part of the shipping or shipbuilding sectors of Iran; own, operate, control or insure a vessel used to transport crude oil, petroleum products (including refined petroleum products), petrochemical products or natural gas (including liquefied natural gas) to or from Iran; operate a port in Iran, engage in activities with, or provide financial services and other goods and services used in connection with, the shipping and shipbuilding sectors of Iran or a port operator in Iran (including the port operator(s) of Bandar Abbas<sup>17</sup>), including port services, such as bunkering and inspection, classification, and financing, and the sale, leasing, and provision of vessels to Iran, including to the Islamic Republic of Iran Shipping Lines (IRISL), NITC, and South Shipping Line Iran or their affiliates.

**7.6. Gold and other precious metals (See Sections 4.5.1 to 4.5.2)**

Sell, supply, export or transfer, directly or indirectly, to or from Iran, gold and other precious metals, or conduct or facilitate a financial transaction or

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<sup>16</sup> Non-U.S., non-Iranian financial institutions engaging in transactions with Iranian financial institutions (including the Central Bank of Iran) not appearing on the SDN List will not be exposed to sanctions as a result of those Iranian financial institutions engaging in transactions or banking relationships involving Iranian individuals and entities, including financial institutions, on the SDN List, provided that the non-U.S., non-Iranian financial institution does not conduct or facilitate, and is not otherwise involved in, those specific transactions or banking relationships with the Iranian individuals and entities, including financial institutions, on the SDN List.

<sup>17</sup> The effects described in Section 7.5 with respect to the port operator(s) of Bandar Abbas are based on the port operator(s) of Bandar Abbas no longer being controlled by a person on the SDN List.

provide services for the foregoing including security, insurance and transportation.

**7.7. Software and metals (See Sections 4.6.1 to 4.6.2)**

Sell, supply, or transfer, directly or indirectly, graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes, to or from Iran in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachment 3 to this Annex, and the sale, supply, or transfer of such materials to the energy, petrochemical, shipping and shipbuilding sectors of Iran, and Iranian ports, or conduct or facilitate a financial transaction or provide services for the foregoing, including insurance and transportation.

**7.8. Automotive sector (See Sections 4.7.1 to 4.7.2)**

Conduct or facilitate financial or other transactions for the sale, supply or transfer to Iran of goods and services used in connection with the automotive sector of Iran.

**7.9. Designations and other sanctions listings (See Section 4.8.1)**

The removal of designations and/or sanctions as described in Section 4.8.1, ceasing the application of secondary sanctions for transactions with individuals and entities set out in Attachment 3 to this Annex; and unblocking of property and interests in property within U.S. jurisdiction for individuals and entities set out in Attachment 3 to this Annex.

**ATTACHMENT 1 - PART I**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX II TO COUNCIL DECISION 2010/413/CFSP AND ANNEX IX TO COUNCIL REGULATION (EU) NO 267/2012

ACENA SHIPPING COMPANY LIMITED  
ADVANCE NOVEL  
AGHAJARI OIL & GAS PRODUCTION COMPANY  
AGHAZADEH, Reza  
AHMADIAN, Mohammad  
AKHAVAN-FARD, Massoud  
ALPHA EFFORT LTD  
ALPHA KARA NAVIGATION LIMITED  
ALPHA NARI NAVIGATION LIMITED  
ARIAN BANK  
ARVANDAN OIL & GAS COMPANY  
ASHTHAD SHIPPING COMPANY LTD  
ASPASIS MARINE CORPORATION  
ASSA CORPORATION  
ASSA CORPORATION LTD  
ATLANTIC INTERMODAL  
AVRASYA CONTAINER SHIPPING LINES  
AZARAB INDUSTRIES  
AZORES SHIPPING COMPANY ALIAS AZORES SHIPPING FZE LLC  
BANCO INTERNACIONAL DE DESARROLLO CA  
BANK KARGOSHAE  
BANK MELLAT  
BANK MELLI IRAN INVESTMENT COMPANY  
BANK MELLI IRAN ZAO  
BANK MELLI PRINTING AND PUBLISHING COMPANY  
BANK MELLI,  
BANK OF INDUSTRY AND MINE  
BANK REFAH KARGARAN  
BANK TEJARAT  
BATENI, Naser  
BEST PRECISE LTD  
BETA KARA NAVIGATION LTD  
BIIS MARITIME LIMITED  
BIS MARITIME LIMITED  
BONAB RESEARCH CENTER  
BRAIT HOLDING SA  
BRIGHT JYOTI SHIPPING  
BRIGHT SHIP FZC  
BUSHEHR SHIPPING COMPANY LIMITED  
BYFLEET SHIPPING COMPANY LTD  
CEMENT INVESTMENT AND DEVELOPMENT COMPANY  
CENTRAL BANK OF IRAN  
CHAPLET SHIPPING LIMITED  
COBHAM SHIPPING COMPANY LTD

CONCEPT GIANT LTD  
COOPERATIVE DEVELOPMENT BANK  
CRYSTAL SHIPPING FZE  
DAJMAR, Mohammad Hossein  
DAMALIS MARINE CORPORATION  
DARYA CAPITAL ADMINISTRATION GMBH  
DARYA DELALAN SEFID KHAZAR SHIPPING COMPANY  
DELTA KARA NAVIGATION LTD  
DELTA NARI NAVIGATION LTD  
DIAMOND SHIPPING SERVICES  
DORKING SHIPPING COMPANY LTD  
EAST OIL & GAS PRODUCTION COMPANY  
EDBI EXCHANGE COMPANY  
EDBI STOCK BROKERAGE COMPANY  
EFFINGHAM SHIPPING COMPANY LTD  
EIGHTH OCEAN ADMINISTRATION GMBH  
EIGHTH OCEAN GMBH & CO. KG  
ELBRUS LTD  
ELCHO HOLDING LTD  
ELEGANT TARGET DEVELOPMENT LIMITED  
ELEVENTH OCEAN ADMINISTRATION GMBH  
ELEVENTH OCEAN GMBH & CO. KG  
EMKA COMPANY  
EPSILON NARI NAVIGATION LTD  
E-SAIL A.K.A.E-SAIL SHIPPING COMPANY  
ETA NARI NAVIGATION LTD  
ETERNAL EXPERT LTD.  
EUROPÄISCH-IRANISCHE HANDELSBANK  
EXPORT DEVELOPMENT BANK OF IRAN  
FAIRWAY SHIPPING  
FAQIHIAN, Dr Hoseyn  
FARNHAM SHIPPING COMPANY LTD  
FASIRUS MARINE CORPORATION  
FATSA  
FIFTEENTH OCEAN ADMINISTRATION GMBH  
FIFTEENTH OCEAN GMBH & CO. KG  
FIFTH OCEAN ADMINISTRATION GMBH  
FIFTH OCEAN GMBH & CO. KG  
FIRST ISLAMIC INVESTMENT BANK  
FIRST OCEAN ADMINISTRATION GMBH  
FIRST OCEAN GMBH & CO. KG  
FIRST PERSIAN EQUITY FUND  
FOURTEENTH OCEAN ADMINISTRATION GMBH  
FOURTEENTH OCEAN GMBH & CO. KG  
FOURTH OCEAN ADMINISTRATION GMBH  
FOURTH OCEAN GMBH & CO. KG  
FUTURE BANK BSC  
GACHSARAN OIL & GAS COMPANY  
GALLIOT MARITIME INCORPORATION  
GAMMA KARA NAVIGATION LTD

GIANT KING LIMITED  
GOLDEN CHARTER DEVELOPMENT LTD.  
GOLDEN SUMMIT INVESTMENTS LTD.  
GOLDEN WAGON DEVELOPMENT LTD.  
GOLPARVAR, Gholam Hossein  
GOMSHALL SHIPPING COMPANY LTD  
GOOD LUCK SHIPPING COMPANY LLC  
GRAND TRINITY LTD.  
GREAT EQUITY INVESTMENTS LTD.  
GREAT METHOD LTD  
GREAT PROSPECT INTERNATIONAL LTD.  
HAFIZ DARYA SHIPPING LINES  
HANSEATIC TRADE TRUST & SHIPPING GMBH  
HARVEST SUPREME LTD.  
HARZARU SHIPPING  
HELIOTROPE SHIPPING LIMITED  
HELIX SHIPPING LIMITED  
HK INTERTRADE COMPANY LTD  
HONG TU LOGISTICS PRIVATE LIMITED  
HORSHAM SHIPPING COMPANY LTD  
IFOLD SHIPPING COMPANY LIMITED  
INDUS MARITIME INCORPORATION  
INDUSTRIAL DEVELOPMENT & RENOVATION ORGANIZATION  
INSIGHT WORLD LTD  
INTERNATIONAL SAFE OIL  
IOTA NARI NAVIGATION LIMITED  
IRAN ALUMINIUM COMPANY  
IRAN FUEL CONSERVATION ORGANIZATION  
IRAN INSURANCE COMPANY  
IRAN LIQUEFIED NATURAL GAS CO.  
IRANIAN OFFSHORE ENGINEERING & CONSTRUCTION CO  
IRANIAN OIL COMPANY LIMITED  
IRANIAN OIL PIPELINES AND TELECOMMUNICATIONS COMPANY  
(IOPTC)  
IRANIAN OIL TERMINALS COMPANY  
IRANO MISR SHIPPING COMPANY  
IRINVESTSHIP LTD  
IRISL (MALTA) LTD  
IRISL EUROPE GMBH  
IRISL MARINE SERVICES AND ENGINEERING COMPANY  
IRISL MARITIME TRAINING INSTITUTE  
IRITAL SHIPPING SRL  
ISI MARITIME LIMITED  
ISIM AMIN LIMITED  
ISIM ATR LIMITED  
ISIM OLIVE LIMITED  
ISIM SAT LIMITED  
ISIM SEA CHARIOT LTD  
ISIM SEA CRESCENT LTD  
ISIM SININ LIMITED

ISIM TAJ MAHAL LTD  
ISIM TOUR COMPANY LIMITED  
ISLAMIC REPUBLIC OF IRAN SHIPPING LINES  
JACKMAN SHIPPING COMPANY  
KALA NAFT  
KALAN KISH SHIPPING COMPANY LTD  
KAPPA NARI NAVIGATION LTD  
KARA SHIPPING AND CHARTERING GMBH  
KAROON OIL & GAS PRODUCTION COMPANY  
KAVERI MARITIME INCORPORATION  
KAVERI SHIPPING LLC  
KEY CHARTER DEVELOPMENT LTD.  
KHALILPOUR, Said Esmail  
KHANCHI, Ali Reza  
KHAZAR EXPL & PROD CO  
KHAZAR SHIPPING LINES  
KHEIBAR COMPANY  
KING PROSPER INVESTMENTS LTD.  
KINGDOM NEW LTD  
KINGSWOOD SHIPPING COMPANY LIMITED  
KISH SHIPPING LINE MANNING COMPANY  
LAMBDA NARI NAVIGATION LIMITED  
LANCING SHIPPING COMPANY LIMITED  
LOGISTIC SMART LTD  
LOWESWATER LTD  
MACHINE SAZI ARAK  
MAGNA CARTA LIMITED  
MALSHIP SHIPPING AGENCY  
MARBLE SHIPPING LIMITED  
MAROUN OIL & GAS COMPANY  
MASJED-SOLEYMAN OIL & GAS COMPANY  
MASTER SUPREME INTERNATIONAL LTD.  
MAZANDARAN CEMENT COMPANY  
MEHR CAYMAN LTD.  
MELLAT BANK SB CJSC  
MELLI AGROCHEMICAL COMPANY PJS  
MELLI BANK PLC  
MELLI INVESTMENT HOLDING INTERNATIONAL  
MELODIOUS MARITIME INCORPORATION  
METRO SUPREME INTERNATIONAL LTD.  
MIDHURST SHIPPING COMPANY LIMITED (MALTA)  
MILL DENE LTD  
MINISTRY OF ENERGY  
MINISTRY OF PETROLEUM  
MODALITY LTD  
MODERN ELEGANT DEVELOPMENT LTD.  
MOUNT EVEREST MARITIME INCORPORATION  
NAFTIRAN INTERTRADE COMPANY  
NAFTIRAN INTERTRADE COMPANY SRL  
NAMJOO, Majid

NARI SHIPPING AND CHARTERING GMBH & CO. KG  
NARMADA SHIPPING  
NATIONAL IRANIAN DRILLING COMPANY  
NATIONAL IRANIAN GAS COMPANY  
NATIONAL IRANIAN OIL COMPANY  
NATIONAL IRANIAN OIL COMPANY NEDERLAND (A.K.A.: NIOC  
NETHERLANDS REPRESENTATION OFFICE)  
NATIONAL IRANIAN OIL COMPANY PTE LTD  
NATIONAL IRANIAN OIL COMPANY, INTERNATIONAL AFFAIRS LIMITED  
NATIONAL IRANIAN OIL ENGINEERING AND CONSTRUCTION COMPANY  
(NIOEC)  
NATIONAL IRANIAN OIL PRODUCTS DISTRIBUTION COMPANY (NIOPDC)  
NATIONAL IRANIAN OIL REFINING AND DISTRIBUTION COMPANY  
NATIONAL IRANIAN TANKER COMPANY  
NEUMAN LTD  
NEW DESIRE LTD  
NEW SYNERGY  
NEWHAVEN SHIPPING COMPANY LIMITED  
NINTH OCEAN ADMINISTRATION GMBH  
NINTH OCEAN GMBH & CO. KG  
NOOR AFZA GOSTAR  
NORTH DRILLING COMPANY  
NUCLEAR FUEL PRODUCTION AND PROCUREMENT COMPANY  
OCEAN CAPITAL ADMINISTRATION GMBH  
OCEAN EXPRESS AGENCIES PRIVATE LIMITED  
ONERBANK ZAO  
OXTED SHIPPING COMPANY LIMITED  
PACIFIC SHIPPING  
PARS SPECIAL ECONOMIC ENERGY ZONE  
PARTNER CENTURY LTD  
PEARL ENERGY COMPANY LTD  
PEARL ENERGY SERVICES, SA  
PERSIA INTERNATIONAL BANK PLC  
PETRO SUISSE  
PETROIRAN DEVELOPMENT COMPANY LTD  
PETROLEUM ENGINEERING & DEVELOPMENT COMPANY  
PETROPARS INTERNATIONAL FZE  
PETROPARS IRAN COMPANY  
PETROPARS LTD.  
PETROPARS OILFIELD SERVICES COMPANY  
PETROPARS OPERATION & MANAGEMENT COMPANY  
PETROPARS RESOURCES ENGINEERING LTD  
PETROPARS UK LIMITED  
PETWORTH SHIPPING COMPANY LIMITED  
POST BANK OF IRAN  
POWER PLANTS' EQUIPMENT MANUFACTURING COMPANY (SAAKHTE  
TAJHIZATE NIROOGAHI)  
PROSPER METRO INVESTMENTS LTD.  
RASTKHAH, Engineer Naser  
REIGATE SHIPPING COMPANY LIMITED

RESEARCH INSTITUTE OF NUCLEAR SCIENCE & TECHNOLOGY  
REZVANIANZADEH, Mohammad Reza  
RISHI MARITIME INCORPORATION  
SACKVILLE HOLDINGS LTD  
SAFIRAN PAYAM DARYA SHIPPING COMPANY  
SALEHI, Ali Akbar  
SANFORD GROUP  
SANTEXLINES  
SECOND OCEAN ADMINISTRATION GMBH  
SECOND OCEAN GMBH & CO. KG  
SEIBOW LOGISTICS LIMITED  
SEVENTH OCEAN ADMINISTRATION GMBH  
SEVENTH OCEAN GMBH & CO. KG  
SHALLON LTD  
SHEMAL CEMENT COMPANY  
SHINE STAR LIMITED  
SHIPPING COMPUTER SERVICES COMPANY  
SILVER UNIVERSE INTERNATIONAL LTD.  
SINA BANK  
SINO ACCESS HOLDINGS  
SINOSE MARITIME  
SISCO SHIPPING COMPANY LTD  
SIXTEENTH OCEAN ADMINISTRATION GMBH  
SIXTEENTH OCEAN GMBH & CO. KG  
SIXTH OCEAN ADMINISTRATION GMBH  
SIXTH OCEAN GMBH & CO. KG  
SMART DAY HOLDINGS LTD  
SOLTANI, Behzad  
SORINET COMMERCIAL TRUST (SCT)  
SOROUSH SARAMIN ASATIR  
SOUTH WAY SHIPPING AGENCY CO. LTD  
SOUTH ZAGROS OIL & GAS PRODUCTION COMPANY  
SPARKLE BRILLIANT DEVELOPMENT LIMITED  
SPRINGTHORPE LIMITED  
STATIRA MARITIME INCORPORATION  
SUREH (NUCLEAR REACTORS FUEL COMPANY)  
SYSTEM WISE LTD  
TAMALARIS CONSOLIDATED LTD  
TENTH OCEAN ADMINISTRATION GMBH  
TENTH OCEAN GMBH & CO. KG  
TEU FEEDER LIMITED  
THETA NARI NAVIGATION  
THIRD OCEAN ADMINISTRATION GMBH  
THIRD OCEAN GMBH & CO. KG  
THIRTEENTH OCEAN ADMINISTRATION GMBH  
THIRTEENTH OCEAN GMBH & CO. KG  
TOP GLACIER COMPANY LIMITED  
TOP PRESTIGE TRADING LIMITED  
TRADE CAPITAL BANK  
TRADE TREASURE

TRUE HONOUR HOLDINGS LTD  
TULIP SHIPPING INC  
TWELFTH OCEAN ADMINISTRATION GMBH  
TWELFTH OCEAN GMBH & CO. KG  
UNIVERSAL TRANSPORTATION LIMITATION UTL  
VALFAJR 8TH SHIPPING LINE  
WEST OIL & GAS PRODUCTION COMPANY  
WESTERN SURGE SHIPPING COMPANY LIMITED  
WISE LING SHIPPING COMPANY LIMITED  
ZANJANI, Babak  
ZETA NERI NAVIGATION

**ATTACHMENT 1 - PART II**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX I TO COUNCIL DECISION 2010/413/CFSP AND ANNEX VIII TO COUNCIL REGULATION (EU) NO 267/2012

AGHA-JANI, Dawood  
ALAI, Amir Moayyed  
ASGARPOUR, Behman  
ASHIANI, Mohammad Fedai  
ASHTIANI, Abbas Rezaee  
ATOMIC ENERGY ORGANISATION OF IRAN (AEOI)  
BAKHTIAR, Haleh  
BEHZAD, Morteza  
ESFAHAN NUCLEAR FUEL RESEARCH AND PRODUCTION CENTRE (NFRPC) AND ESFAHAN NUCLEAR TECHNOLOGY CENTRE (ENTC)  
FIRST EAST EXPORT BANK, P.L.C.:  
HOSSEINI, Seyyed Hussein  
IRANO HIND SHIPPING COMPANY  
IRISL BENELUX NV  
JABBER IBN HAYAN  
KARAJ NUCLEAR RESEARCH CENTRE  
KAVOSHYAR COMPANY  
LEILABADI, Ali Hajinia  
MESBAH ENERGY COMPANY  
MODERN INDUSTRIES TECHNIQUE COMPANY  
MOHAJERANI, Hamid-Reza  
MOHAMMADI, Jafar  
MONAJEMI, Ehsan  
NOBARI, Houshang  
NOVIN ENERGY COMPANY  
NUCLEAR RESEARCH CENTER FOR AGRICULTURE AND MEDICINE  
PARS TRASH COMPANY  
PISHGAM (PIONEER) ENERGY INDUSTRIES  
QANNADI, Mohammad  
RAHIMI, Amir  
RAHIQI, Javad  
RASHIDI, Abbas  
SABET, M. Javad Karimi  
SAFDARI, Seyed Jaber  
SOLEYMANI, Ghasem  
SOUTH SHIPPING LINE IRAN (SSL)  
TAMAS COMPANY

**ATTACHMENT 2 - PART I**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX II TO COUNCIL DECISION 2010/413/CFSP AND ANNEX IX TO COUNCIL REGULATION (EU) NO 267/2012

AEROSPACE INDUSTRIES ORGANISATION, AIO  
AL YASIN, Javad  
ALUMINAT  
ANSAR BANK  
ARAN MODERN DEVICES  
ARAS FARAYANDE  
ARFA PAINT COMPANY  
ARFEH COMPANY  
ARIA NIKAN,  
ARMED FORCES GEOGRAPHICAL ORGANISATION  
ASHTIAN TABLO  
BABAEL, Davoud  
BALS ALMAN  
BANK SADERAT IRAN  
BANK SADERAT PLC  
BARGH AZARAKSH  
BEHNAM SAHRIYARI TRADING COMPANY  
BONYAD TAAVON SEPAH  
BORBORUDI, Sayed Shamsuddin  
DANESHJOO, Kamran  
DARVISH-VAND, IRGC Brigadier-General Javad  
ELECTRONIC COMPONENTS INDUSTRIES  
ESNICO (EQUIPMENT SUPPLIER FOR NUCLEAR INDUSTRIES CORPORATION)  
ETEMAD AMIN INVEST CO MOBIN  
EYVAZ TECHNIC  
FADAVI, Rear Admiral Ali  
FAJR AVIATION COMPOSITE INDUSTRIES  
FARAHI, IRGC Brigadier-General Seyyed Mahdi  
FARASEPEHR ENGINEERING COMPANY  
FATAH, Parviz  
GHANI SAZI URANIUM COMPANY  
HAERI, Engineer Mojtaba  
HIRBOD CO  
HOSEYNITASH, IRGC Brigadier-General Ali  
HOSSEINI NEJAD TRADING CO.  
INSTITUTE OF APPLIED PHYSICS  
IRAN AIRCRAFT INDUSTRIES  
IRAN AIRCRAFT MANUFACTURING COMPANY  
IRAN CENTRIFUGE TECHNOLOGY COMPANY  
IRAN COMMUNICATIONS INDUSTRIES  
IRAN COMPOSITES INSTITUTE  
IRAN ELECTRONICS INDUSTRIES  
IRAN MARINE INDUSTRIAL COMPANY

IRAN POOYA  
IRAN SAFFRON COMPANY OR IRANSAFFRON CO.  
IRANIAN AVIATION INDUSTRIES ORGANIZATION  
IRGC AIR FORCE  
IRGC QODS FORCE  
IRGC-AIR FORCE AL-GHADIR MISSILE COMMAND  
ISFAHAN OPTICS  
ISLAMIC REVOLUTIONARY GUARD CORPS  
JAFARI, Milad  
JAVEDAN MEHR TOOS  
JELVESAZAN COMPANY  
KARANIR  
KARIMIAN, Ali  
KHALA AFARIN PARS  
KHANSARI, Majid  
MAAA SYNERGY  
MACPAR MAKINA SAN VE TIC  
MAHMUDZADEH, Ebrahim  
MARINE INDUSTRIES  
MAROU SANAT  
MATSA (MOHANDESI TOSEH SOKHT ATOMI COMPANY)  
MECHANIC INDUSTRIES GROUP  
MEHR BANK  
MINISTRY OF DEFENSE AND SUPPORT FOR ARMED FORCES LOGISTICS  
MOBIN SANJESH  
MODERN TECHNOLOGIES FZC  
MOHAMMADI, Mohammad  
MOHAMMADLU, Brigadier-General Beik  
MOVASAGHNIA, Mohammad Reza  
MULTIMAT LC VE DIS TICARET PAZARLAMA LIMITED SIRKETI  
NACCACHE, Anis  
NADERI, Brigadier-General Mohammad  
NAJJAR, IRGC Brigadier-General Mostafa Mohammad  
NAQDI, BrigGen Mohammad Reza  
NASERI, Mohammad Sadegh  
NASERIN VAHID  
NEDA INDUSTRIAL GROUP  
NEKA NOVIN  
NOAVARAN POOYAMOJ  
NOURI, Ali Ashraf  
OIL INDUSTRY PENSION FUND INVESTMENT COMPANY  
ORGANISATION OF DEFENSIVE INNOVATION AND RESEARCH  
PAKPUR, BrigGen Mohammad  
PARCHIN CHEMICAL INDUSTRIES  
PARTO SANAT CO  
PASSIVE DEFENSE ORGANIZATION  
PAYA PARTO  
QASEMI, Rostam (a.k.a. Rostam GHASEMI)  
RAAD IRAN  
RAKA

RESEARCH CENTRE FOR EXPLOSION AND IMPACT  
ROSMACHIN  
SAIDI, Hojatoleslam Ali  
SALAMI, BrigGen Hossein  
SAMAN NASB ZAYENDEH ROOD; SAMAN NASBZAINDE ROOD  
SAMAN TOSE'E ASIA  
SAMEN INDUSTRIES  
SCHILLER NOVIN  
SEPANIR OIL AND GAS ENERGY ENGINEERING COMPANY  
SHAFFI RUDSARI, Rear Admiral Mohammad  
SHAHID AHMAD KAZEMI INDUSTRIAL GROUP  
SHAHID BEHESHTI UNIVERSITY  
SHAKHESE BEHBUD SANAT  
SHAMS, Abolghassem Mozaffari  
SHAMSHIRI, IRGC Brigadier-General Ali  
SHARIF UNIVERSITY OF TECHNOLOGY  
SHETAB G.  
SHETAB GAMAN  
SHETAB TRADING  
SHIRAZ ELECTRONICS INDUSTRIES  
SIMATEC DEVELOPMENT COMPANY  
SOLAT SANA, Abdollah  
SOLTANI, Hamid  
STATE PURCHASING ORGANISATION  
STEP STANDART TEKNIK PARCA SAN VE TIC A.S.  
SUN MIDDLE EAST FZ COMPANY  
SURENA (A.K.A. SAKHD VA RAH-AN- DA-ZI)  
TABA (IRAN CUTTING TOOLS MANUFACTURING COMPANY - TABA  
TOWLID ABZAR BORESHI IRAN)  
TAGHTIRAN  
TAJHIZ SANAT SHAYAN  
TECHNOLOGY COOPERATION OFFICE OF THE IRANIAN PRESIDENT'S  
OFFICE  
TEST TAFSIR  
TIDEWATER  
TOSSE SILOOHA  
TURBINE ENGINEERING MANUFACTURING  
VAHIDI, IRGC Brigadier-General Ahmad  
WEST SUN TRADE GMBH  
Y.A.S. CO. LTD  
YARSANAT  
YASA PART  
ZADEH, Amir Ali Haji

**ATTACHMENT 2 - PART II**

LIST OF PERSONS, ENTITIES AND BODIES SET OUT IN ANNEX I TO COUNCIL DECISION 2010/413/CFSP AND ANNEXES VIII TO COUNCIL REGULATION (EU) NO 267/2012

7TH OF TIR.  
ABBASI-DAVANI, Fereidoun  
ABZAR BORESH KAVEH CO.  
AGHAJANI, Azim  
AHMADIAN, Ali Akbar  
AMIN INDUSTRIAL COMPLEX  
AMMUNITION AND METALLURGY INDUSTRIES GROUP  
ARMAMENT INDUSTRIES GROUP  
BAHMANYAR, Bahmanyar Morteza  
BANK SEPAH  
BANK SEPAH INTERNATIONAL  
BARZAGANI TEJARAT TAVANMAD SACCAL COMPANIES  
BEHINEH TRADING CO.  
CRUISE MISSILE INDUSTRY GROUP  
DASTJERDI, Ahmad Vahid  
DEFENCE INDUSTRIES ORGANISATION (DIO)  
DEFENSE TECHNOLOGY AND SCIENCE RESEARCH CENTER  
DERAKHSHANDEH, Ahmad  
DOOSTAN INTERNATIONAL COMPANY  
ELECTRO SANAM COMPANY  
ESLAMI, Mohammad  
ESMAELI, Reza-Gholi  
ETTEHAD TECHNICAL GROUP  
FAJR INDUSTRIAL GROUP  
FAKHRIZADEH-MAHABADI, Mohsen  
FARASAKHT INDUSTRIES  
FARAYAND TECHNIQUE  
FATER (OR FAATER) INSTITUTE  
GHARAGAHE SAZANDEGI GHAEM  
GHORB KARBALA  
GHORB NOOH  
HARA COMPANY  
HEJAZI, Mohammad  
HOJATI, Mohsen  
IMENSAZAN CONSULTANT ENGINEERS INSTITUTE  
INDUSTRIAL FACTORIES OF PRECISION (IFP) MACHINERY  
JOZA INDUSTRIAL CO.  
KALA-ELECTRIC  
KAVEH CUTTING TOOLS COMPANY  
KETABACHI, Mehrdada Akhlaghi  
KHATAM AL-ANBIYA CONSTRUCTION HEADQUARTERS  
KHORASAN METALLURGY INDUSTRIES  
M. BABAIE INDUSTRIES  
MAKIN

MALEK ASHTAR UNIVERSITY  
MALEKI, Naser  
MINISTRY OF DEFENSE LOGISTICS EXPORT  
MIZAN MACHINERY MANUFACTURING A.K.A.: 3MG  
NAQDI, Mohammad Reza  
NEJAD NOURI, Mohammad Mehdi  
NIRU BATTERY MANUFACTURING COMPANY  
OMRAN SAHEL  
ORIENTAL OIL KISH  
PARCHIN CHEMICAL INDUSTRIES  
PARS AVIATION SERVICES COMPANY  
PEJMAN INDUSTRIAL SERVICES CORPORATION  
QODS AERONAUTICS INDUSTRIES  
RAH SAHEL  
RAHAB ENGINEERING INSTITUTE  
REZAIE, Morteza  
SABALAN COMPANY  
SAD IMPORT EXPORT COMPANY  
SAFARI, Morteza  
SAFAVI, Yahya Rahim  
SAFETY EQUIPMENT PROCUREMENT (SEP)  
SAHAND ALUMINUM PARTS INDUSTRIAL COMPANY  
SAHEL CONSULTANT ENGINEERS  
SALIMI, Hosein  
SANAM INDUSTRIAL GROUP  
SEPANIR  
SEPASAD ENGINEERING COMPANY  
SHAHID BAGHERI INDUSTRIAL GROUP (SBIG)  
SHAHID HEMMAT INDUSTRIAL GROUP (SHIG)  
SHAHID KARRAZI INDUSTRIES  
SHAHID SATARRI INDUSTRIES  
SHAHID SAYYADE SHIRAZI INDUSTRIES  
SHO' A' AVIATION.  
SOLEIMANI, Qasem  
SPECIAL INDUSTRIES GROUP  
TABATABAEI, Ali Akbar  
TIZ PARS  
YA MAHDI INDUSTRIES GROUP  
YAS AIR  
YAZD METALLURGY INDUSTRIES  
ZAHEDI, Mohammad Reza  
ZOLQADR, General

**ATTACHMENT 3**

IRANIAN FINANCIAL INSTITUTIONS AND INDIVIDUAL AND ENTITIES IDENTIFIED AS GOVERNMENT OF IRAN (GOI) ON THE SDN LIST; DESIGNATED ENTITIES AND INDIVIDUALS ON THE SDN LIST AND ENTITIES AND INDIVIDUALS LISTED ON THE FSE LIST; INDIVIDUALS AND ENTITIES SANCTIONED UNDER ISA; BLOCKED PROPERTY OF THE FOREGOING

AA ENERGY FZCO\*  
 ABAN AIR  
 ADVANCE NOVEL LIMITED  
 AFZALI, Ali  
 AGHA-JANI, Dawood  
 AL AQILI GROUP LLC  
 AL AQILI, Mohamed Saeed  
 AL FIDA INTERNATIONAL GENERAL TRADING  
 AL HILAL EXCHANGE  
 ALPHA EFFORT LIMITED  
 AMERI, Teymour  
 AMIN INVESTMENT BANK\*  
 ANTARES SHIPPING COMPANY NV  
 ARASH SHIPPING ENTERPRISES LIMITED\*  
 ARIAN BANK  
 ARTA SHIPPING ENTERPRISES LIMITED\*  
 ASAN SHIPPING ENTERPRISE LIMITED\*  
 ASCOTEC HOLDING GMBH\*  
 ASCOTEC JAPAN K.K.\*  
 ASCOTEC MINERAL & MACHINERY GMBH\*  
 ASCOTEC SCIENCE & TECHNOLOGY GMBH\*  
 ASCOTEC STEEL TRADING GMBH\*  
 ASHTEAD SHIPPING COMPANY LIMITED  
 ASIA BANK  
 ASIA ENERGY GENERAL TRADING (LLC)\*  
 ASIA MARINE NETWORK PTE. LTD.  
 ASSA CO. LTD.  
 ASSA CORP.  
 ATLANTIC INTERMODAL  
 ATOMIC ENERGY ORGANIZATION OF IRAN  
 AZORES SHIPPING COMPANY LL FZE  
 BAHADORI, Masoud\*  
 BANCO INTERNACIONAL DE DESARROLLO, C.A.  
 BANDAR IMAM PETROCHEMICAL COMPANY\*  
 BANK KARGOSHAEE  
 BANK KESHAVARZI IRAN\*

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\* Denotes Iranian financial institutions and individuals and entities identified as GOI by the Office of Foreign Assets Control (OFAC). U.S. persons and foreign entities owned or controlled by a U.S. person will continue to be prohibited from transactions with these individuals and entities, pursuant to the Iranian Transactions and Sanctions Regulations.

BANK MARKAZI JOMHOURI ISLAMI IRAN\*  
BANK MASKAN\*  
BANK MELLAT\*  
BANK MELLI IRAN INVESTMENT COMPANY  
BANK MELLI IRAN\*  
BANK MELLI PRINTING AND PUBLISHING CO.  
BANK OF INDUSTRY AND MINE (OF IRAN)\*  
BANK REFAH KARGARAN\*  
BANK SEPAH INTERNATIONAL PLC  
BANK SEPAH\*  
BANK TEJARAT\*  
BANK TORGVOY KAPITAL ZAO\*  
BANK-E SHAHR\*  
BATENI, Naser  
BAZARGAN, Farzad\*  
BEHSAZ KASHANE TEHRAN CONSTRUCTION CO.\*  
BEHZAD, Morteza Ahmadali  
BELFAST GENERAL TRADING LLC  
BEST PRECISE LIMITED  
BIIS MARITIME LIMITED  
BIMEH IRAN INSURANCE COMPANY (U.K.) LIMITED\*  
BLUE TANKER SHIPPING SA\*  
BMIIC INTERNATIONAL GENERAL TRADING LTD  
BOU ALI SINA PETROCHEMICAL COMPANY\*  
BREYELLER STAHL TECHNOLOGY GMBH & CO. KG\*  
BUSHEHR SHIPPING COMPANY LIMITED  
BYFLEET SHIPPING COMPANY LIMITED  
CAMBIS, Dimitris\*  
CASPIAN MARITIME LIMITED\*  
CAUCASUS ENERGY  
CEMENT INVESTMENT AND DEVELOPMENT COMPANY  
CENTRAL INSURANCE OF IRAN  
CISCO SHIPPING COMPANY CO. LTD.  
COBHAM SHIPPING COMPANY LIMITED  
COMMERCIAL PARS OIL CO.\*  
CONCEPT GIANT LIMITED  
CREDIT INSTITUTION FOR DEVELOPMENT\*  
CRYSTAL SHIPPING FZE  
CYLINDER SYSTEM L.T.D.\*  
DAJMAR, Mohammad Hossein  
DANESH SHIPPING COMPANY LIMITED\*  
DARYA CAPITAL ADMINISTRATION GMBH  
DAVAR SHIPPING CO LTD\*  
DENA TANKERS FZE\*  
DERAKHSHANDEH, AHMAD  
DETTIN SPA  
DEY BANK\*  
DFS WORLDWIDE  
DIVANDARI, Ali  
DORKING SHIPPING COMPANY LIMITED

EDBI EXCHANGE COMPANY  
EDBI STOCK BROKERAGE COMPANY  
EFFINGHAM SHIPPING COMPANY LIMITED  
EGHTESAD NOVIN BANK\*  
EIGHTH OCEAN ADMINISTRATION GMBH  
EIGHTH OCEAN GMBH & CO. KG  
ELEVENTH OCEAN ADMINISTRATION GMBH  
ELEVENTH OCEAN GMBH & CO. KG  
ESFAHAN NUCLEAR FUEL RESEARCH AND PRODUCTION CENTER  
ESLAMI, Mansour  
EUROPAISCH-IRANISCHE HANDELSBANK AG\*  
EUROPEAN OIL TRADERS  
EVEREX  
EXECUTION OF IMAM KHOMEINI'S ORDER\*  
EXPORT DEVELOPMENT BANK OF IRAN\*  
EZATI, Ali  
FAIRWAY SHIPPING LTD  
FAL OIL COMPANY LIMITED  
FARNHAM SHIPPING COMPANY LIMITED  
FARSOUDEH, Houshang  
FAYLACA PETROLEUM  
FERLAND COMPANY LIMITED  
FIFTEENTH OCEAN GMBH & CO. KG  
FIFTH OCEAN ADMINISTRATION GMBH  
FIFTH OCEAN GMBH & CO. KG  
FIRST EAST EXPORT BANK, P.L.C.  
FIRST ISLAMIC INVESTMENT BANK LTD.  
FIRST OCEAN ADMINISTRATION GMBH  
FIRST OCEAN GMBH & CO. KG  
FIRST PERSIA EQUITY FUND  
FOURTEENTH OCEAN GMBH & CO. KG  
FOURTH OCEAN ADMINISTRATION GMBH  
FOURTH OCEAN GMBH & CO. KG  
FUTURE BANK B.S.C.\*  
GALLIOT MARITIME INC  
GARBIN NAVIGATION LTD\*  
GEORGIAN BUSINESS DEVELOPMENT  
GHADIR INVESTMENT COMPANY\*  
GHAED BASSIR PETROCHEMICAL PRODUCTS COMPANY\*  
GHALEBANI, Ahmad\*  
GHARZOLHASANEH RESALAT BANK\*  
GHAVAMIN BANK\*  
GHEZEL AYAGH, Alireza  
GOLDEN RESOURCES TRADING COMPANY L.L.C.\*  
GOLDENTEX FZE  
GOLPARVAR, Gholamhossein  
GOMSHALL SHIPPING COMPANY LIMITED  
GOOD LUCK SHIPPING L.L.C.  
GRACE BAY SHIPPING INC\*  
GREAT BUSINESS DEALS

GREAT METHOD LIMITED  
HADI SHIPPING COMPANY LIMITED\*  
HAFIZ DARYA SHIPPING CO  
HARAZ SHIPPING COMPANY LIMITED\*  
HATEF SHIPPING COMPANY LIMITED\*  
HEKMAT IRANIAN BANK\*  
HERCULES INTERNATIONAL SHIP\*  
HERMIS SHIPPING SA\*  
HIRMAND SHIPPING COMPANY LIMITED\*  
HODA SHIPPING COMPANY LIMITED\*  
HOMA SHIPPING COMPANY LIMITED\*  
HONAR SHIPPING COMPANY LIMITED\*  
HONG KONG INTERTRADE COMPANY\*  
HORMOZ OIL REFINING COMPANY\*  
HORSHAM SHIPPING COMPANY LIMITED  
HOSSEINPOUR, Houshang  
HTTS HANSEATIC TRADE TRUST AND SHIPPING, GMBH  
IDEAL SUCCESS INVESTMENTS LIMITED  
IFIC HOLDING AG\*  
IHAG TRADING GMBH\*  
IMPIRE SHIPPING COMPANY\*  
INDUS MARITIME INC  
INDUSTRIAL DEVELOPMENT AND RENOVATION ORGANIZATION OF  
IRAN\*  
INTERNATIONAL SAFE OIL  
INTRA CHEM TRADING GMBH\*  
IRAN & SHARGH COMPANY\*  
IRAN & SHARGH LEASING COMPANY\*  
IRAN AIR  
IRAN FOREIGN INVESTMENT COMPANY\*  
IRAN INSURANCE COMPANY\*  
IRAN O HIND SHIPPING COMPANY  
IRAN O MISR SHIPPING COMPANY  
IRAN PETROCHEMICAL COMMERCIAL COMPANY\*  
IRAN ZAMIN BANK\*  
IRANAIR TOURS  
IRANIAN MINES AND MINING INDUSTRIES DEVELOPMENT AND  
RENOVATION ORGANIZATION\*  
IRANIAN OIL COMPANY (U.K.) LIMITED\*  
IRANIAN-VENEZUELAN BI-NATIONAL BANK / JOINT IRAN-VENEZUELA  
BANK\*  
IRASCO S.R.L.\*  
IRINVESTSHIP LTD.  
IRISL (MALTA) LIMITED  
IRISL (UK) LTD.  
IRISL CHINA SHIPPING CO., LTD.  
IRISL EUROPE GMBH  
IRISL MARINE SERVICES & ENGINEERING COMPANY  
IRISL MULTIMODAL TRANSPORT CO.  
IRITAL SHIPPING SRL COMPANY

ISI MARITIME LIMITED  
ISIM AMIN LIMITED  
ISIM ATR LIMITED  
ISIM OLIVE LIMITED  
ISIM SAT LIMITED  
ISIM SEA CHARIOT LIMITED  
ISIM SEA CRESCENT LIMITED  
ISIM SININ LIMITED  
ISIM TAJ MAHAL LIMITED  
ISIM TOUR LIMITED  
ISLAMIC REGIONAL COOPERATION BANK\*  
ISLAMIC REPUBLIC OF IRAN SHIPPING LINES  
JABBER IBN HAYAN  
JAM PETROCHEMICAL COMPANY  
JASHNSAZ, Seifollah\*  
JUPITER SEAWAYS SHIPPING\*  
KADDOURI, Abdelhak  
KAFOLATBANK\*  
KALA LIMITED\*  
KALA PENSION TRUST LIMITED\*  
KARAFARIN BANK\*  
KASB INTERNATIONAL LLC\*  
KAVERI MARITIME INC  
KAVOSHYAR COMPANY  
KERMAN SHIPPING CO LTD  
KHALILI, Jamshid  
KHAVARMIANEH BANK\*  
KHAZAR SEA SHIPPING LINES  
KISH INTERNATIONAL BANK\*  
KISH PROTECTION & INDEMNITY  
KONING MARINE CORP\*  
KONT INVESTMENT BANK  
KONT KOSMETIK  
KSN FOUNDATION  
KUO OIL PTE. LTD  
LANCELIN SHIPPING COMPANY LIMITED  
LEADING MARITIME PTE. LTD.  
LEILABADI, Ali Hajinia  
LISSOME MARINE SERVICES LLC  
LOGISTIC SMART LIMITED  
LOWESWATER LIMITED  
MACHINE SAZI ARAK CO. LTD.\*  
MAHAB GHODSS CONSULTING ENGINEERING COMPANY\*  
MAHDAVI, Ali  
MALSHIP SHIPPING AGENCY LTD.  
MARANER HOLDINGS LIMITED  
MARBLE SHIPPING LIMITED  
MARJAN PETROCHEMICAL COMPANY\*  
MAZANDARAN CEMENT COMPANY  
MAZANDARAN TEXTILE COMPANY

MCS ENGINEERING\*  
MCS INTERNATIONAL GMBH\*  
MEHR CAYMAN LTD.  
MEHR IRAN CREDIT UNION BANK\*  
MEHRAN SHIPPING COMPANY LIMITED\*  
MELLAT BANK SB CJSC  
MELLAT INSURANCE COMPANY\*  
MELLI AGROCHEMICAL COMPANY, P.J.S.  
MELLI BANK PLC  
MELLI INVESTMENT HOLDING INTERNATIONAL  
MELODIOUS MARITIME INC  
MERSAD SHIPPING COMPANY LIMITED\*  
MESBAH ENERGY COMPANY  
METAL & MINERAL TRADE S.A.R.L.\*  
MID OIL ASIA PTE LTD  
MILL DENE LIMITED  
MINAB SHIPPING COMPANY LIMITED\*  
MINES AND METALS ENGINEERING GMBH\*  
MIR BUSINESS BANK ZAO  
MOALLEM INSURANCE COMPANY  
MOBIN PETROCHEMICAL COMPANY\*  
MODABER\*  
MODALITY LIMITED  
MOGHADDAMI FARD, Mohammad  
MOHADDES, Seyed Mahmoud\*  
MOINIE, Mohammad\*  
MONSOON SHIPPING LTD\*  
MOUNT EVEREST MARITIME INC  
MSP KALA NAFT CO. TEHRAN\*  
N.I.T.C. REPRESENTATIVE OFFICE\*  
NABIPOUR, Ghasem  
NAFTIRAN INTERTRADE CO. (NICO) LIMITED\*  
NAFTIRAN INTERTRADE CO. (NICO) SARL\*  
NAFTIRAN TRADING SERVICES CO. (NTS) LIMITED\*  
NARI SHIPPING AND CHARTERING GMBH & CO. KG  
NASIRBEIK, Anahita  
NATIONAL IRANIAN OIL COMPANY PTE LTD\*  
NATIONAL IRANIAN OIL COMPANY\*  
NATIONAL IRANIAN TANKER COMPANY LLC\*  
NATIONAL IRANIAN TANKER COMPANY\*  
NATIONAL PETROCHEMICAL COMPANY\*  
NAYEBI, Pourya  
NEFERTITI SHIPPING COMPANY  
NEUMAN LIMITED  
NEW DESIRE LIMITED  
NEW YORK GENERAL TRADING  
NEW YORK MONEY EXCHANGE  
NICO ENGINEERING LIMITED\*  
NIKOUSOKHAN, Mahmoud\*  
NIKSIMA FOOD AND BEVERAGE JLT

NINTH OCEAN ADMINISTRATION GMBH  
NINTH OCEAN GMBH & CO. KG  
NIOC INTERNATIONAL AFFAIRS (LONDON) LIMITED\*  
NIZAMI, Anwar Kamal  
NOOR AFZAR GOSTAR COMPANY  
NOOR ENERGY (MALAYSIA) LTD.\*  
NOURI PETROCHEMICAL COMPANY\*  
NOVIN ENERGY COMPANY  
NPC INTERNATIONAL LIMITED\*  
NUCLEAR RESEARCH CENTER FOR AGRICULTURE AND MEDICINE  
NUCLEAR SCIENCE AND TECHNOLOGY RESEARCH INSTITUTE  
OCEAN CAPITAL ADMINISTRATION GMBH  
OIL INDUSTRY INVESTMENT COMPANY\*  
OMID REY CIVIL & CONSTRUCTION COMPANY\*  
ONE CLASS PROPERTIES (PTY) LTD.\*  
ONE VISION INVESTMENTS 5 (PTY) LTD.\*  
ONERBANK ZAO\*  
ORCHIDEA GULF TRADING  
P.C.C. (SINGAPORE) PRIVATE LIMITED\*  
PACIFIC SHIPPING DMCEST  
PAJAND, Mohammad Hadi  
PARDIS INVESTMENT COMPANY\*  
PARS MCS\*  
PARS OIL AND GAS COMPANY\*  
PARS OIL CO.\*  
PARS PETROCHEMICAL COMPANY\*  
PARS PETROCHEMICAL SHIPPING COMPANY\*  
PARS TRASH COMPANY  
PARSAEI, Reza\*  
PARSIAN BANK\*  
PARTNER CENTURY LIMITED  
PARVARESH, Farhad Ali  
PASARGAD BANK\*  
PEARL ENERGY COMPANY LTD.  
PEARL ENERGY SERVICES, SA  
PERSIA INTERNATIONAL BANK PLC  
PERSIA OIL & GAS INDUSTRY DEVELOPMENT CO.\*  
PETRO ENERGY INTERTRADE COMPANY\*  
PETRO ROYAL FZE\*  
PETRO SUISSE INTERTRADE COMPANY SA\*  
PETROCHEMICAL COMMERCIAL COMPANY (U.K.) LIMITED\*  
PETROCHEMICAL COMMERCIAL COMPANY FZE\*  
PETROCHEMICAL COMMERCIAL COMPANY INTERNATIONAL\*  
PETROIRAN DEVELOPMENT COMPANY (PEDCO) LIMITED\*  
PETROLEOS DE VENEZUELA S.A. (PDVSA)  
PETROPARS INTERNATIONAL FZE\*  
PETROPARS LTD.\*  
PETROPARS UK LIMITED\*  
PIONEER ENERGY INDUSTRIES COMPANY  
POLAT, Muzaffer

POLINEX GENERAL TRADING LLC\*  
POLYNAR COMPANY\*  
POST BANK OF IRAN\*  
POURANSARI, Hashem\*  
PROTON PETROCHEMICALS SHIPPING LIMITED\*  
PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA BUKOVYNA  
QANNADI, Mohammad  
QULANDARY, Azizullah Asadullah  
RAHIQI, Javad  
RASOOL, Seyed Alaeddin Sadat  
REY INVESTMENT COMPANY\*  
REY NIRU ENGINEERING COMPANY\*  
REYCO GMBH.\*  
REZVANIANZADEH, Mohammed Reza  
RISHI MARITIME INC  
RISHMAK PRODUCTIVE & EXPORTS COMPANY\*  
ROYAL ARYA CO.\*  
ROYAL OYSTER GROUP  
ROYAL-MED SHIPPING AGENCY LTD  
SABET, Javad Karimi  
SACKVILLE HOLDINGS LIMITED  
SADAF PETROCHEMICAL ASSALUYEH COMPANY\*  
SAFDARI, Seyed Jaber  
SAFIRAN PAYAM DARYA SHIPPING COMPANY  
SAMAN BANK\*  
SAMAN SHIPPING COMPANY LIMITED\*  
SAMBOUK SHIPPING FZC\*  
SANDFORD GROUP LIMITED  
SANTEX LINES LIMITED  
SARKANDI, Ahmad  
SARMAYEH BANK\*  
SARV SHIPPING COMPANY LIMITED\*  
SECOND OCEAN ADMINISTRATION GMBH  
SECOND OCEAN GMBH & CO. KG  
SEIBOW LIMITED  
SEIBOW LOGISTICS LIMITED  
SEIFI, Asadollah  
SEPID SHIPPING COMPANY LIMITED\*  
SEVENTH OCEAN ADMINISTRATION GMBH  
SEVENTH OCEAN GMBH & CO. KG  
SEYYEDI, Seyed Nasser Mohammad\*  
SEYYEDI, Seyedeh Hanieh Seyed Nasser Mohammad  
SHAHID TONGGOOYAN PETROCHEMICAL COMPANY\*  
SHALLON LIMITED  
SHAZAND PETROCHEMICAL COMPANY\*  
SHERE SHIPPING COMPANY LIMITED  
SHIPPING COMPUTER SERVICES COMPANY  
SHOMAL CEMENT COMPANY  
SIMA GENERAL TRADING CO FZE\*  
SIMA SHIPPING COMPANY LIMITED\*

SINA BANK\*  
SINA SHIPPING COMPANY LIMITED\*  
SINGA TANKERS PTE. LTD.  
SINO ACCESS HOLDINGS LIMITED  
SINOSE MARITIME PTE. LTD.  
SIQIRIYA MARITIME CORP.  
SIXTH OCEAN ADMINISTRATION GMBH  
SIXTH OCEAN GMBH & CO. KG  
SMART DAY HOLDINGS GROUP LIMITED  
SOKOLENKO, Vitaly  
SORINET COMMERCIAL TRUST (SCT) BANKERS  
SOROUSH SARZAMIN ASATIR SHIP MANAGEMENT COMPANY  
SOUTH SHIPPING LINE IRAN  
SPEEDY SHIP FZC  
SPRINGTHORPE LIMITED  
STARRY SHINE INTERNATIONAL LIMITED  
SWISS MANAGEMENT SERVICES SARL\*  
SYNERGY GENERAL TRADING FZE\*  
SYSTEM WISE LIMITED  
TABATABAEI, Seyyed Mohammad Ali Khatibi\*  
TABRIZ PETROCHEMICAL COMPANY\*  
TADBIR BROKERAGE COMPANY\*  
TADBIR CONSTRUCTION DEVELOPMENT COMPANY\*  
TADBIR ECONOMIC DEVELOPMENT GROUP\*  
TADBIR ENERGY DEVELOPMENT GROUP CO.\*  
TADBIR INVESTMENT COMPANY\*  
TAFAZOLI, Ahmad  
TALAI, Mohamad  
TAMAS COMPANY  
TAT BANK\*  
TC SHIPPING COMPANY LIMITED\*  
TENTH OCEAN GMBH & CO. KG  
THE EXPLORATION AND NUCLEAR RAW MATERIALS PRODUCTION  
COMPANY  
THE NUCLEAR REACTORS FUEL COMPANY  
THIRD OCEAN ADMINISTRATION GMBH  
THIRD OCEAN GMBH & CO. KG  
THIRTEENTH OCEAN GMBH & CO. KG  
TONGHAM SHIPPING CO LTD  
TOP GLACIER COMPANY LIMITED  
TOP PRESTIGE TRADING LIMITED  
TOSEE EQTESAD AYANDEHSAZAN COMPANY\*  
TOSEE TAAVON BANK\*  
TOURISM BANK\*  
TRADE TREASURE LIMITED  
TRUE HONOUR HOLDINGS LIMITED  
TWELFTH OCEAN ADMINISTRATION GMBH  
TWELFTH OCEAN GMBH & CO. KG  
UPPERCOURT SHIPPING COMPANY LIMITED  
VALFAJR 8TH SHIPPING LINE CO SSK

VOBSTER SHIPPING COMPANY LTD  
WEST SUN TRADE GMBH\*  
WIPPERMANN, Ulrich  
WOKING SHIPPING INVESTMENTS LIMITED  
YASINI, Seyed Kamal  
YAZDI, Bahareh Mirza Hossein  
ZADEH, Hassan Jalil  
ZANJANI, Babak Morteza  
ZARIN RAFSANJAN CEMENT COMPANY\*  
ZEIDI, Hossein  
ZHUHAI ZHENRONG COMPANY  
ZIRACCHIAN ZADEH, Mahmoud\*

BLOCKED PROPERTY	PROPERTY OF	TYPE	IMO NUMBER
EP-CFD	IRAN AIR	Aircraft	
EP-CFE	IRAN AIR	Aircraft	
EP-CFH	IRAN AIR	Aircraft	
EP-CFI	IRAN AIR	Aircraft	
EP-CFJ	IRAN AIR	Aircraft	
EP-CFK	IRAN AIR	Aircraft	
EP-CFL	IRAN AIR	Aircraft	
EP-CFM	IRAN AIR	Aircraft	
EP-CFO	IRAN AIR	Aircraft	
EP-CFP	IRAN AIR	Aircraft	
EP-CFQ	IRAN AIR	Aircraft	
EP-CFR	IRAN AIR	Aircraft	
EP-IAA	IRAN AIR	Aircraft	
EP-IAB	IRAN AIR	Aircraft	
EP-IAC	IRAN AIR	Aircraft	
EP-IAD	IRAN AIR	Aircraft	
EP-IAG	IRAN AIR	Aircraft	
EP-IAH	IRAN AIR	Aircraft	
EP-IAI	IRAN AIR	Aircraft	
EP-IAM	IRAN AIR	Aircraft	
EP-IBA	IRAN AIR	Aircraft	
EP-IBB	IRAN AIR	Aircraft	
EP-IBC	IRAN AIR	Aircraft	
EP-IBD	IRAN AIR	Aircraft	
EP-IBG	IRAN AIR	Aircraft	
EP-IBH	IRAN AIR	Aircraft	
EP-IBI	IRAN AIR	Aircraft	
EP-IBJ	IRAN AIR	Aircraft	
EP-IBK	IRAN AIR	Aircraft	
EP-IBL	IRAN AIR	Aircraft	
EP-IBM	IRAN AIR	Aircraft	
EP-IBN	IRAN AIR	Aircraft	
EP-IBP	IRAN AIR	Aircraft	
EP-IBQ	IRAN AIR	Aircraft	
EP-IBS	IRAN AIR	Aircraft	
EP-IBT	IRAN AIR	Aircraft	
EP-IBV	IRAN AIR	Aircraft	
EP-IBZ	IRAN AIR	Aircraft	
EP-ICD	IRAN AIR	Aircraft	
EP-ICE	IRAN AIR	Aircraft	
EP-ICF	IRAN AIR	Aircraft	
EP-IDA	IRAN AIR	Aircraft	

<sup>x</sup> Denotes blocked property of individual and entities identified as GOI by the Office of Foreign Assets Control. U.S. persons and foreign entities owned or controlled by a U.S. person will continue to be prohibited from transactions with these individuals and entities, pursuant to the Iranian Transactions and Sanctions Regulations.

EP-IDD	IRAN AIR	Aircraft	
EP-IDF	IRAN AIR	Aircraft	
EP-IDG	IRAN AIR	Aircraft	
EP-IEB	IRAN AIR	Aircraft	
EP-IEC	IRAN AIR	Aircraft	
EP-IED	IRAN AIR	Aircraft	
EP-IEE	IRAN AIR	Aircraft	
EP-IEF	IRAN AIR	Aircraft	
EP-IEG	IRAN AIR	Aircraft	
EP-IRK	IRAN AIR	Aircraft	
EP-IRL	IRAN AIR	Aircraft	
EP-IRM	IRAN AIR	Aircraft	
EP-IRN	IRAN AIR	Aircraft	
EP-IRR	IRAN AIR	Aircraft	
EP-IRS	IRAN AIR	Aircraft	
EP-IRT	IRAN AIR	Aircraft	
EP-MDD	IRAN AIR	Aircraft	
EP-MDE	IRAN AIR	Aircraft	
UR-BXI	IRAN AIR	Aircraft	
UR-BXL	IRAN AIR	Aircraft	
UR-BXM	IRAN AIR	Aircraft	
UR-CGS	IRAN AIR	Aircraft	
UR-CGT	IRAN AIR	Aircraft	
UR-CHW	IRAN AIR	Aircraft	
UR-CHX	IRAN AIR	Aircraft	
UR-CHY	IRAN AIR	Aircraft	
UR-CHZ	IRAN AIR	Aircraft	
UR-CJQ	IRAN AIR	Aircraft	
UR-BHJ	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-BXN	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CIX	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CIY	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CJA	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
UR-CJK	PRYVATNE AKTSIONERNE TOVARYSTVO AVIAKOMPANIYA	Aircraft	
RIONA	HAFIZ DARYA SHIPPING CO	Vessel	9349588
MIRZA KOCHAK KHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7027899
ASSA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7632814
AMITEES	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7632826
HORMUZ 2	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	7904580
PARMIDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8105284
BARSAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8107581
PANTEA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8108559

IRAN AKHAVAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8113009
SARINA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8203608
SABRINA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8215742
ATTRIBUTE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309593
ALIAS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309608
AQUARIAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309610
ADVENTIST	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309622
AGEAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309634
ANGEL	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309646
AGILE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309658
AJAX	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309672
ACROBAT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309684
SHADFAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309696
AMPLIFY	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8309701
IRAN HORMUZ 21	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8314263
IRAN HORMUZ 22	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8314275
IRAN HORMUZ 23	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8319782
IRAN SHALAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8319940
IRAN YOUSHAAT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8319952
AEROLITE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320121
ADRIAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320133
NAGHMEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320145
RONAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320157
ACCURATE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320169
TABANDEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320171
GULAFSHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320183
ALAMEDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8320195
IRAN PARAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8322064
IRAN CHARAK	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8322076
IRAN HORMUZ 25	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8422072
IRAN HORMUZ 26	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8422084
DORITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8605234
IRAN SHALAMCHEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8820925
AAJ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	8984484
IRAN HORMUZ 12	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9005596
IRAN KONG	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9007582
VISTA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9010711
VIANA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9010723
IRAN HORMUZ 14	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9020778
HAMD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9036052
SOBHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9036935
SATTAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9040479
ABBA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051624
BEHDAD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051636
PARSHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051648
VALERIAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9051650
NEGEEN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9071519
ATTAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9074092

PARIN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9076478
TEEN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9101649
GOWHAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9103087
IRAN DALEER	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9118551
PATRIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9137210
NARDIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9137246
KADOS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9137258
ZOMOROUD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9138044
BRELYAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9138056
NILDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165786
JOVITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165798
MANOLA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165803
GLADIOLUS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165815
ELYANA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165827
NEGAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9165839
SAVIZ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167253
GLOXINIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167265
NESHAT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167277
BEHSHAD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167289
JAIRAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9167291
IRAN SHAHED	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9184691
GOLSAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193185
ZARSAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193197
ARVIN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193202
ARTAVAND	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9193214
TERESA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209324
GABRIELA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209336
SARITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209348
SILVER CRAFT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9209350
MAHNAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9213387
TERMEH	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9213399
MAHSAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9226944
HAMADAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9226956
TARADIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9245304
PARMIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9245316
ZAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9260160
ZIVAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9260172
VALILI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270646
SHAMIM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270658
IRAN SHAHR-E-KORD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270684
IRAN KASHAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9270696
SININ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9274941
PARMIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283007
AZARGOUN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283019
SALIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283021
GOLBON	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9283033
PARDIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9284142
TANDIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9284154

SHERE	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305192
UPPERCOURT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305207
TONGHAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305219
VOBSTER	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9305221
GOLAFRUZ	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9323833
ADALIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9328900
SHABGOUN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9346524
AGATA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9346536
BENITA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9346548
MARISOL	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349576
ORIANA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349590
MERCEDES	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349667
RAMONA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9349679
GILDA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9367982
SANIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9367994
SARIR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9368003
SOMIA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9368015
GLORY	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9369710
ARIES	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9369722
ABTIN 1	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9379636
ARSHAM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9386500
PARSHAD	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387786
HAADI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387798
RAAZI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387803
SAEI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9387815
ARTMAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405930
BASKAR	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405942
BAHJAT	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405954
HAAMI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405966
SHAADI	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9405978
SHAYAN 1	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9420356
TABAN 1	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9420368
YARAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9420370
AMIN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9422366
AVANG	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465746
KIAZAND	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465758
BATIS	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465760
WARTA	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465849
SALIM	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465851
ARDAVAN	ISLAMIC REPUBLIC OF IRAN SHIPPING LINES	Vessel	9465863
NAMI	LISSOME MARINE SERVICES LLC	Vessel	8419178
GAS CAMELLIA	LISSOME MARINE SERVICES LLC	Vessel	8803381
TESS	LISSOME MARINE SERVICES LLC	Vessel	8913564
KATERINA 1	LISSOME MARINE SERVICES LLC	Vessel	9031959
MARIA	LISSOME MARINE SERVICES LLC	Vessel	9110626
SUN OCEAN	LISSOME MARINE SERVICES LLC	Vessel	9408358
YOUNES <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8212465
YOUSEF <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8316106

YAGHOUB <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8316168
TOLOU <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8318178
VALFAJR2 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8400103
BADR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8407345
BANEH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8508462
SARDASHT <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8517231
MARIVAN <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	8517243
BRIGHT <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9005235
CARIBO <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9011246
AURA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9013749
BICAS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9077850
MAHARLIKA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079066
NAPOLI <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079078
NYOS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079080
NAINITAL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079092
NATIVE LAND <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9079107
ATLANTIC <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9107655
SPARROW <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9171450
SWALLOW <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9171462
SUPERIOR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9172038
SPOTLESS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9172040
SABRINA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9172052
DESTINY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9177155
HUMANITY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9180281
ORIENTAL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9183934
SHONA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187629
ABELIA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187631
ALERT <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187643
SUNDIAL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187655
SILVER CLOUD <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9187667
HUWAYZEH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212888
HORIZON <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212890
HAPPINESS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212905
MARINA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212917
HALISTIC <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9212929
DELVAR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218454
DAYLAM <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218466
DAMAVAND <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218478
DENA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218480
DARAB <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9218492
IRAN FAZEL <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9283746
FIANGA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9283760
IRAN FAHIM <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9286140
IRAN FALAGH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9286152
DECESIVE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9356593
SANCHI <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9356608
MAJESTIC <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357183
SUCCESS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357353

SUNEAST <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357365
SPLENDOUR <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357377
COURAGE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357389
HONESTY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357391
AMBER <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357406
DAL LAKE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357717
JUSTICE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9357729
HYDRA <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9362059
DOVE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9362061
ZEUS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9362073
IMICO NEKA 455 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9404546
IMICO NEKA 456 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9404558
IMICO NEKA 457 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9404560
SUNSHINE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569205
DOJRAN <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569619
ATLANTIS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569621
FORTUN <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569633
SALALEH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569645
SMOOTH <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569657
SKYLINE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569669
INFINITY <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569671
DEMOS <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9569683
YANGZHOU DAYANG DY905 <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9575424
SUNRISE <sup>x</sup>	NATIONAL IRANIAN TANKER COMPANY	Vessel	9615092
ANTHEM	SIQIRIYA MARITIME CORP	Vessel	8310669
JAFFNA	SIQIRIYA MARITIME CORP	Vessel	8609515
OLYSA	SIQIRIYA MARITIME CORP	Vessel	9001605

**ATTACHMENT 4**

ABBASI-DAVANI, Fereidoun  
ADVANCE ELECTRICAL AND INDUSTRIAL TECHNOLOGIES SL  
ALUMINAT  
ANDISHEH ZOLAL  
ARIA NIKAN MARINE INDUSTRY  
BUJAR, Farhad  
DAYENI, Mahmoud Mohammadi  
EYVAZ TECHNIC MANUFACTURING COMPANY  
FAKHRIZADEH-MAHABADI, Mohsen  
FARATECH  
FARAYAND TECHNIQUE  
FULMEN GROUP  
IMANIRAD, Arman  
IMANIRAD, Mohammad Javad  
IRAN CENTRIFUGE TECHNOLOGY COMPANY  
IRAN POOYA  
JAHAN TECH ROOYAN PARS  
JAVEDAN MEHR TOOS  
KAHVARIN, Iradj Mohammadi  
KALAYE ELECTRIC COMPANY  
KHAKI, Parviz  
MANDEGAR BASPAR KIMIYA COMPANY  
MARO SANAT COMPANY  
MODERN INDUSTRIES TECHNIQUE COMPANY  
NEDA INDUSTRIAL GROUP  
NEKA NOVIN  
PARTO SANAT CO.  
PAYA PARTOV CO.  
PENTANE CHEMISTRY INDUSTRIES  
PETRO GREEN  
PISHRO SYSTEMS RESEARCH COMPANY  
POUYA CONTROL  
PUNTI, Pere  
RAHIMYAR, Amir Hossein  
SIMATIC DEVELOPMENT CO.  
TAGHTIRAN KASHAN COMPANY  
TANIDEH, Hossein  
TARH O PALAYESH  
THE ORGANIZATION OF DEFENSIVE INNOVATION AND RESEARCH  
TOWLID ABZAR BORESHI IRAN  
WISSER, Gerhard  
YASA PART  
ZOLAL IRAN COMPANY

## JCPOA Annex III - Civil Nuclear Cooperation

### A. General

1. Iran and E3/EU+3 decided to co-operate, among others, including through IAEA technical cooperation, where appropriate, and without prejudice to the existing bilateral agreements, in different areas of civil nuclear co-operation to be developed within the framework of this JCPOA, as detailed in this Annex. In this context, the Joint Commission will also support assistance to Iran, including through IAEA technical cooperation projects, as appropriate.
2. All civil nuclear cooperation projects under this JCPOA will be mutually determined by the participating states and will be consistent with the JCPOA and the national laws and regulations of the participating parties.
3. The civil nuclear and scientific cooperation projects envisioned between Iran and the E3/EU+3 as part of this JCPOA may be undertaken in a variety of formats, with a variety of potential participants. A given project undertaken by the E3/EU+3 will not necessarily include participation by all E3/EU+3 parties:
  - 3.1. bilateral or multilateral cooperation arrangements with Iran. Such arrangements would be mutually determined by the participating states.
  - 3.2. projects under the auspices of the IAEA, either through IAEA technical co-operation projects including through Project and Supply Agreements.
  - 3.3. through International Science and Technology Centres.

Specifically, E3/EU+3 parties will undertake, to develop nuclear co-operation with Iran, in particular within the following areas:

### B. Reactors, Fuels and Associated Technologies, Facilities and Processes

#### 4. Modern light water power and research reactors and associated equipment, technologies and facilities

E3/EU+3 parties, as appropriate, will facilitate Iran's acquisition of light-water research and power reactors, for research, development and testing, and for the supply of electricity and desalination, with arrangements for the assured supply of nuclear fuel and the removal of spent fuel as provided for in relevant contracts, for each reactor provided. This may include the following areas for co-operation:

- 4.1. Construction as well as effective and safe operation of new light water power reactors and associated equipment, according to Generation III+ requirements, including small and medium sized nuclear reactors, including joint design and manufacturing, as appropriate.
- 4.2. Construction of state of the art light water moderated multipurpose research reactors capable of testing fuel pins, assembly prototypes and structural materials with associated related facilities, including joint design and manufacturing, as appropriate.
- 4.3. Supply of state-of-the-art instrumentation and control systems for the above research and power reactors, including joint design and manufacturing, as appropriate;

- 4.4. Supply of nuclear simulation and calculation codes and software solutions with regard to the above areas, including joint development, as appropriate;
- 4.5. Supply of first and second loop main equipment as well as core of the above research and power reactors, including joint design and manufacturing, as appropriate;
- 4.6. On-the-job training on fuel management scenarios and reshuffling for the above research and power nuclear reactors;
- 4.7. Joint technical review of Iran's current nuclear reactors, upon the request by Iran, in order to upgrade current equipment and systems, including concerning nuclear safety;

## **5. Arak Modernisation Project**

- 5.1. As described in Section B of Annex I, an international partnership composed of E3/EU+3 parties and Iran, which may subsequently be enlarged to include mutually determined third countries will be established, to support and facilitate the redesign and rebuilding of the IR-40 reactor at Arak into a modernised, not exceeding 20MWth, heavy-water moderated and cooled research reactor, based on the agreed conceptual design (as attached to Annex I).
- 5.2. Iran will take the leadership role as the owner and as the project manager, and have responsibility for overall implementation of the Arak modernisation project. A Working Group composed of E3/EU+3 participants will be established to support and facilitate the redesigning and rebuilding of the reactor. An international partnership composed of Iran and the Working Group would implement the Arak modernisation project, with E3/EU+3 participants assuming responsibilities as described in Annex I. The Working Group could be enlarged to include other countries by consensus of the participants of the Working Group and Iran. E3/EU+3 participants and Iran will conclude an official document expressing their strong commitments to the Arak modernisation project in advance of Implementation Day which would provide an assured path forward to modernise the reactor and would define the responsibilities assumed by the E3/EU+3 participants, especially in the key areas such as redesign, design review and certification, reactor core manufacturing, fuel design, fabrication and supply, safety and security, spent fuel treatment or disposition, as well as concerning the supply of materials, equipment, instrumentation and control systems, and subsequently contracts would be concluded. The participants of the Working Group will provide assistance needed by Iran for redesigning and rebuilding the reactor, consistent with their respective national laws, in such a manner as to enable the safe and timely construction and commissioning of the modernised reactor.
- 5.3. Iran and the Working Group will cooperate to develop the final design of the modernised reactor and the design of the subsidiary laboratories to be carried out by Iran, and review conformity with international safety standards, such that the reactor can be licensed by the relevant Iranian regulatory authority for commissioning and operation.
- 5.4. Iran will continue to assume the primary responsibility for financing the modernisation project. Additional funding arrangements for the project, including for IAEA projects supporting the Arak modernisation project, will be

determined based on the official document and contracts to be subsequently concluded.

## **6. Nuclear Fuel**

- 6.1. E3/EU+3 parties, as appropriate, will support assistance to Iran, including through the IAEA, as appropriate, in meeting international qualification standards for nuclear fuel fabricated by Iran.
- 6.2. E3/EU+3 parties will seek to cooperate regarding the supply of modern fuels, including, as appropriate, joint design and fabrication, the relevant licenses and fabrication technologies and equipment and related infrastructure, for current and future nuclear research and power reactors, including technical assistance on purification processes, forming and metallurgical activities for different types of nuclear fuel clads and cladding for the modernised Arak heavy water research reactor.

## **C. Research and Development (R&D) Practices**

7. To implement other aspects of this JCPOA and in support of a broader opening of scientific engagements between the E3/EU+3 and Iran, the E3/EU+3 and Iran will seek cooperation and scientific exchange in the field of nuclear science and technology:
  - 7.1. Accelerator-based nuclear physics and nuclear astrophysics research, and stable isotope production in international collaboration at the nuclear, physics, and technology centre at the Fordow facility. Iran will request from the E3/EU+3 and other interested parties specific proposals for cooperative international nuclear, physics, and technology projects and will host an international workshop to review these proposals. The goal is to realise international collaborative projects within a few years. The transitioning to stable isotope production of two cascades will be conducted in a joint partnership between the Russian Federation and Iran on the basis of arrangements to be mutually agreed upon.
  - 7.2. Plasma physics and nuclear fusion;
  - 7.3. Research reactor applications at the TRR, modernized Arak reactor, or at other future research reactors in Iran, such as:
    - 7.3.1. Training
    - 7.3.2. Radio-isotope production and utilization
    - 7.3.3. Nuclear desalination
    - 7.3.4. Neutron transmutation doping
    - 7.3.5. Neutron activation analysis
    - 7.3.6. Neutron capture therapy
    - 7.3.7. Neutron imaging and materials characterization studies using neutron beams
  - 7.4. E3/EU+3 parties and Iran could also explore co-operation in the following additional areas:

- 7.4.1. Design, manufacture and/or assembly of in-core measuring instrumentation and technologies;
- 7.4.2. Nuclear instrumentation and control, systems and electronics design, manufacture and/or assembly;
- 7.4.3. Fusion technology and plasma physics and related infrastructure and facilitating contribution of Iran to the International Thermonuclear Experimental Reactor (ITER) Project and/or similar projects, including relevant IAEA technical cooperation projects;
- 7.4.4. Neutrino astronomy;
- 7.4.5. Design and manufacturing, and supply, of different types of accelerators and supply of related equipment including through relevant IAEA technical cooperation projects;
- 7.4.6. Data acquisition and processing software and interface equipment;

**D. Nuclear Safety, Safeguards and Security**

**8. Nuclear safety**

E3/EU+3 parties, and possibly other states, as appropriate, are prepared to cooperate with Iran to establish a Nuclear Safety Centre in Iran, engage in workshops and training events in Iran to support interactions between Iranian nuclear regulatory authorities and those from the E3/EU+3 and elsewhere to, among other things, share lessons learned on establishing and maintaining regulatory independence and effectiveness, and training on implementing nuclear safety culture and best practices; facilitate exchanges and visits to nuclear regulatory authorities and nuclear power plants outside of Iran focusing on best practices for safe operation; and enhance and strengthen domestic emergency preparedness and severe accident management capability.

Provide support and assistance to enable Iran to join relevant conventions on nuclear safety and security, e.g. through workshops or seminars furthering accession to such commitments. Such workshops or seminars could also take place under the auspices of the IAEA.

E3/EU+3 parties, and possibly other states, as appropriate, will co-operate with Iran in the following areas of nuclear safety, as well as in other areas to be mutually agreed:

- 8.1. Conclusion of bilateral/multilateral agreements with related organisations and research centres;
- 8.2. Supply of valid codes, instruments and equipment related to nuclear safety;
- 8.3. Facilitate exchange of knowledge and experience in the area of nuclear safety;
- 8.4. Enhance and strengthen domestic emergency preparedness and severe accident management capability;
- 8.5. Arrange on-the-job training and apprenticeship courses for reactor and facility operators, regulatory authority personnel and related supportive organizations in the area of nuclear safety inside and outside of Iran;

- 8.6. Establish a Nuclear Safety Centre in Iran, which shall be equipped with necessary tools, techniques and equipment, in order to support and facilitate technical and professional training and exchange of lessons-learned for reactor and facility operators, regulatory authority personnel and related supportive organizations;

## **9. Nuclear Safeguards**

E3/EU+3 parties, and possibly other states, as appropriate, are prepared to cooperate with Iran on the effective and efficient implementation of IAEA safeguards and transparency measures in Iran. Co-operation in the following areas can be envisaged:

- 9.1. Cooperation in the form of on-the-job trainings and workshops to strengthen nuclear material accounting and control process, human resource development, and quality assurance/quality control processes;
- 9.2. E3/EU+3 parties, and other states, as appropriate, are prepared to cooperate with Iran for the effective and efficient implementation of IAEA safeguards and transparency measures in Iran.
- 9.3. This cooperation could take the form of training and workshops to strengthen Iran's safeguards regulatory authority, nuclear material accounting and control processes, human resource development, and quality assurance/quality control processes.

## **10. Nuclear Security**

E3/EU+3 parties, and possibly other states, as appropriate, are prepared to cooperate with Iran on the implementation of nuclear security guidelines and best practices. Co-operation in the following areas can be envisaged:

- 10.1. Co-operation in the form of training courses and workshops to strengthen Iran's ability to prevent, protect and respond to nuclear security threats to nuclear facilities and systems as well as to enable effective and sustainable nuclear security and physical protection systems;
- 10.2. Co-operation through training and workshops to strengthen Iran's ability to protect against, and respond to nuclear security threats, including sabotage, as well as to enable effective and sustainable nuclear security and physical protection systems.

## **E. Nuclear Medicine and Radioisotopes, Associated Technologies, Facilities and Processes**

11. E3/EU+3 parties, as appropriate, are prepared to cooperate with Iran to improve the utilization of nuclear medicine in Iran in order to enhance Iran's expertise in diagnostic imaging and radiotherapy, increase the availability of medical radioisotopes for diagnosis and treatment of Iranian citizens, and facilitate Iran's participation in the broader international scientific and nuclear medicine community. Such cooperation may include:
  - 11.1. Upgrades to the infrastructure associated with existing cyclotron facilities, including for medical radioisotopes production.

- 11.2. Facilitating Iranian acquisition of a new cyclotron, and associated radio-pharmacy equipment, for medical radioisotopes production.
- 11.3. Acquisition of state-of-the-art diagnostic imaging and radiotherapy equipment for existing or new nuclear medicine centers, including co-operation between hospitals for the treatment of individual patients.
- 11.4. Cooperation on occupational and patient dosimetry procedures.
- 11.5. Improved target utilization to increase radioisotope production.
- 11.6. Acquisition of radioisotope sources for brachytherapy, and radiotherapy instrument calibration, and other medical and industrial applications.
- 11.7. Supply of state-of-the-art radio-medicine center and necessary laboratories.

**F. Waste Management and Facility Decommissioning**

12. E3/EU+3 parties, as appropriate, are prepared to cooperate with Iran in the safe, effective, and efficient management and disposition of nuclear and radiological wastes derived from Iran's nuclear fuel cycle activities and nuclear medicine, radioisotope production and/or consumption activities.
13. E3/EU+3 parties, as appropriate, are prepared to cooperate with Iran in areas of safe, effective, and environmentally friendly best practices for facility decontamination and decommissioning, including co-operation on long term storage facilities for the repository of low and medium level waste.
14. E3/EU+3 parties, as appropriate, are prepared to facilitate exchanges and visits to relevant sites and locations outside of Iran related to effective waste management and best practices.
15. E3/EU+3 parties, as appropriate, will facilitate the supply of appropriate equipment and systems for waste management and depository facilities in Iran.

**G. Other projects**

16. Other projects may be implemented between the relevant E3/EU+3 parties and Iran, as mutually determined by the participants in the JCPOA, including in the following areas:
  - 16.1. Construction of nuclear desalination and associated infrastructure in Iran;
  - 16.2. Development of laser technology for medical applications (e.g. for eye surgery);

## JCPOA Annex IV – Joint Commission

### 1. Establishment, Composition, and Coordinator

- 1.1. The Joint Commission is established to carry out the functions assigned to it in the JCPOA, including its Annexes.
- 1.2. The Joint Commission is comprised of representatives of Iran and the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom, and the United States, with the High Representative of the Union for Foreign Affairs and Security Policy), together, the JCPOA participants.
- 1.3. The Joint Commission may establish Working Groups in particular areas, as appropriate.
- 1.4. The High Representative of the Union for Foreign Affairs and Security Policy ('High Representative'), or his/her designated representative will serve as the Coordinator of the Joint Commission.

### 2. Functions

- 2.1. The Joint Commission will perform the following functions:
  - 2.1.1. Review and approve the final design for the modernized heavy water research reactor and the design of the subsidiary laboratories prior to the commencement of construction, and review and approve the fuel design for the modernized heavy water research reactor as provided for in Section B of Annex I;
  - 2.1.2. Review and approve, upon request by Iran, development, acquisition, construction or operation of hot cells (containing a cell or interconnected cells), shielded cells or shielded glove boxes with dimensions beyond 6 cubic meters in volume and specifications set out in Annex I of the Additional Protocol, as provided for in paragraph 21 of Annex I;
  - 2.1.3. Review and approve plans submitted by Iran to initiate R&D on uranium metal based TRR fuel, as provided for in paragraph 26 of Annex I;
  - 2.1.4. Review and approve, upon request by Iran, projects on new types of centrifuges to proceed to a prototype stage for mechanical testing, as provided for in paragraph 43 of Annex I;
  - 2.1.5. Receive information in advance about the specific projects that will be undertaken at Fordow, as provided for in paragraph 44 of Annex I;
  - 2.1.6. Receive information about the conceptual framework of stable isotope production at Fordow, as provided for in paragraph 46.1 of Annex I;
  - 2.1.7. Assess and then approve, upon request by Iran, that fuel assemblies manufactured in Iran and their intermediate products cannot be readily reconverted into UF<sub>6</sub>, based on the objective technical criteria, with the goal of enabling fuel to be fabricated in Iran, as provided in paragraph 59 of Annex I;

- 2.1.8. Support assistance to Iran, including through IAEA technical cooperation as appropriate, in meeting international qualification standards for nuclear fuel produced by Iran, as provided for in paragraph 59 of Annex I;
- 2.1.9. Review and approve in advance, upon request by Iran, engagement by Iran, including through export of any enrichment or enrichment related equipment and technology, with any other country, or with any foreign entity in enrichment and enrichment related activities, including related research and development, as provided for in paragraph 73 in Annex I;
- 2.1.10. Provide consultation, and advise on the necessary means in the context of access as specified in paragraph 78 of Annex I;
- 2.1.11. Review and approve in advance, upon request by Iran, the design, development, fabrication, acquisition, or use for non-nuclear purposes of multi-point explosive detonation systems suitable for a nuclear explosive device and explosive diagnostic systems (streak cameras, framing cameras and flash x-ray cameras) suitable for the development of a nuclear explosive device, as provided for in paragraphs 82.2 and 82.3 of Annex I;
- 2.1.12. Review and consult to address issues arising from the implementation of sanctions lifting as specified in this JCPOA and its Annex II;
- 2.1.13. Review and decide on proposals for nuclear-related transfers to or activities with, Iran, in accordance with Section 6 of this Annex and the United Nations Security Council resolution endorsing this JCPOA;
- 2.1.14. Review, with a view to resolving, any issue that a JCPOA participant believes constitutes nonperformance by another JCPOA participant of its commitments under the JCPOA, according to the process outlined in the JCPOA;
- 2.1.15. Adopt or modify, as necessary, procedures to govern its activities;
- 2.1.16. Consult and provide guidance on other implementation matters that may arise under the JCPOA.

### **3. Procedures**

- 3.1. The Joint Commission will meet on a quarterly basis and at any time upon request of a JCPOA participant to the Coordinator. The Coordinator will convene a meeting of the Joint Commission to be held no later than one week following receipt of such a request, except for consultations in accordance with Section Q of Annex I and any other matter that the Coordinator and/or a JCPOA participant deem urgent, in which case the meeting will be convened as soon as possible and not later than three calendar days from receipt of the request.
- 3.2. Meetings of the Joint Commission will be held in New York, Vienna, or Geneva as appropriate. The host country should facilitate entry formalities for those attending such meetings.
- 3.3. The Joint Commission may decide by consensus to invite observers to attend its meetings.
- 3.4. Except as provided in Section 6 of this Annex which will be subject to the confidentiality procedure of the UN, the work of the Joint Commission is

confidential and may be shared only among JCPOA participants and observers as appropriate, unless the Joint Commission decides otherwise.

#### **4. Decisions**

- 4.1. Except as stated otherwise in this Annex, decisions by the Joint Commission are to be made by consensus.
- 4.2. Each JCPOA participant will have one vote. Decisions of the Joint Commission are to be taken by the Representative or the Deputy Representative or other such alternate as the JCPOA participant may designate.
- 4.3. The vote of each JCPOA participant will be made known to all other JCPOA participants if any JCPOA participant requests a recorded vote.
- 4.4. Matters before the Joint Commission pursuant to Section Q of Annex I are to be decided by consensus or by affirmative vote of five JCPOA participants. There is no quorum requirement.
- 4.5. The Coordinator will not take part in decision-making on nuclear-related transfers and activities as set out in Section 6 of this Annex.

#### **5. Other**

- 5.1. Each JCPOA participant will be responsible for its own costs of participating in the Joint Commission, unless the Joint Commission decides otherwise.
- 5.2. JCPOA participants may request that the Coordinator circulates a notification to the other JCPOA participants at any time. Upon such a request, the Coordinator will circulate such notification without delay to all JCPOA participants.

#### **6. Procurement Working Group**

- 6.1. With the purpose of establishing a procurement channel, the Joint Commission will, except as otherwise provided by the United Nations Security Council resolution endorsing this JCPOA, review and decide on proposals by states seeking to engage in:
  - 6.1.1. the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1, and, if the end-use will be for Iran's nuclear programme set out in this JCPOA or other non-nuclear civilian end-use, all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 (or the most recent version of these documents as updated by the Security Council), as well as any further items if the relevant State determines that they could contribute to activities inconsistent with the JCPOA; and,
  - 6.1.2. the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services related to the supply, sale, transfer, manufacture, or use of the items, materials, equipment, goods and technology described in subparagraph (a) above;

- 6.1.3. acquisition by Iran of an interest in a commercial activity in another State involving uranium mining, production or use of nuclear materials and technologies as listed in INFCIRC/254/Rev.12/Part 1, and such investments in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by individuals or entities acting on their behalf or direction, or by entities owned or controlled by them.
- 6.2. The Joint Commission will discharge its responsibility for reviewing and making recommendations on proposals for nuclear-related transfers to or activities with Iran through a Procurement Working Group.
- 6.3. Each E3+3 State and Iran will participate in the Procurement Working Group. The High Representative will serve as the Coordinator of the Procurement Working Group.
- 6.4. Except as otherwise provided by the Joint Commission or the United Nations Security Council resolution endorsing this JCPOA, the Procurement Working Group will consider proposals according to the following process:
  - 6.4.1. Upon receipt of a proposal, including all necessary supporting information, by a State seeking to engage in transfers and activities referenced in Section 6.1, the Coordinator will forward the proposal, through appropriate means, without delay to the Procurement Working Group and, when the proposal relates to items, material, equipment, goods and technology intended to be used in nuclear activities authorized by the JCPOA, to the IAEA. The Procurement Working Group will have up to 30 working days to consider and decide on the proposal.
  - 6.4.2. “Necessary supporting information” for purposes of Section 6.4.1 means: (a) a description of the item; (b) the name, address, telephone number, and email address of the exporting entity; (c) the name, address, telephone number, and email address of the importing entity; (d) a statement of the proposed end-use and end use location, along with an end-use certification signed by the AEOI or the appropriate authority of Iran attesting the stated end-use; (e) export license number if available; (f) contract date, if available; and (g) details on transportation, if available; provided that if any of the export license number, contract date, or details on transportation are not available as of the time of submittal of the proposal, such information will be provided as soon as possible and in any event as condition of approval prior to shipment of the item.
  - 6.4.3. Each participant in the Procurement Working Group will have to communicate to the Coordinator, within 20 working days, whether it approves or rejects the proposal. The timeline for consideration may be extended for an additional period of 10 working days at the request of a participant of the Procurement Working Group.
  - 6.4.4. The proposal will be recommended for approval as soon as the Coordinator receives formal approvals from all the Procurement Working Group Participants or if, at the end of the 30 working day period, the Coordinator has received no disapprovals from any of the Procurement Working Group Participants. If at the end of the 30 working day period, the proposal has

- not been recommended for approval, the proposal may, at the request of at least two Working Group Participants within 5 working days, be referred to the Joint Commission, which would decide on approval of the proposal by consensus within 10 working days. Otherwise the proposal will be recommended for disapproval. The disapproving JCPOA participant(s) should provide relevant information regarding the disapproval to the Joint Commission as appropriate, taking into account the need to protect confidential information.
- 6.4.5. The Coordinator will communicate the recommendation of the Joint Commission to the United Nations Security Council no later than 35 working days, or in case of referral to the Joint Commission no later than 45 working days from the date the Coordinator transmitted the proposal and all necessary supporting information to the Procurement Working Group.
  - 6.4.6. Except as decided otherwise by consensus, the Procurement Working Group will meet every three weeks for reviewing the proposals. When some of the proposals to be reviewed relate to items, material, equipment, goods and technology intended to be used in nuclear activities authorized by the JCPOA, the IAEA may be invited to attend the meeting as an observer.
  - 6.5. All JCPOA participants will act in accordance with the procurement channel and will only engage in transfers and activities referenced in Section 6.1 following approval by the Joint Commission and the United Nations Security Council. Iran will not use, acquire, or seek to procure the items, materials, equipment, goods, and technology referred to in Section 6.1 of this Annex for nuclear activities which are inconsistent with this JCPOA.
  - 6.6. Any JCPOA participant may refer a procurement-related activity to the Joint Commission under the dispute settlement mechanism if it is concerned that such activity is inconsistent with this JCPOA.
  - 6.7. Iran will provide to the IAEA access to the locations of intended use of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1 (or the most recent version of these documents as updated by the Security Council) imported following the procedure under Section 6 of this Annex.
  - 6.8. Iran will permit the exporting state to verify the end-use of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 (or the most recent version of these documents as updated by the Security Council) imported following the procedure under Section 6 of this Annex. Upon request of the exporting state, or if the Joint Commission deems necessary when approving a proposal for transfer, the Joint Commission will provide expertise to the exporting state, including experts, as needed, to participate in the end-use verification.
  - 6.9. The Procurement Working Group will respond to requests for guidance on procurement activities from third parties, as communicated by the Coordinator. The Procurement Working Group will endeavor to respond to

such requests for guidance within 9 working days from the date the Coordinator submits it to the Procurement Working Group.

- 6.10. The Joint Commission will report to the United Nations Security Council at least every 6 months on the status of the Procurement Working Group's decisions and on any implementation issues.

**7. Working Group on Implementation of Sanctions Lifting**

- 7.1. The Joint Commission will discharge its responsibilities for reviewing and consulting on issues related to the implementation of sanctions lifting as specified in this JCPOA assisted by a working group on the implementation of sanctions lifting.
- 7.2. The Joint Commission participants will participate in this working group. The High Representative will serve as coordinator of this working group.
- 7.3. If at any time following the implementation day Iran believes that any other nuclear-related sanction or restrictive measure including related designations of the E3/EU+3 is preventing the full implementation of the sanctions lifting as specified in this JCPOA, the JCPOA participant in question will consult with Iran with a view to resolving the issue. If they are not able to resolve the issue, Iran or any member of the E3/EU+3 may refer the issue to the working group.
- 7.4. The participants of the working group will review and consult, with a view to resolving the issue within 30 working days.
- 7.5. If after involvement of the working group, the issue remains unresolved, any participant of the JCPOA may refer it to the Joint Commission.

## JCPOA Annex V - Implementation Plan<sup>1</sup>

1. This Annex describes the sequence of the actions specified in Annexes I and II to this JCPOA.
- A. Finalisation Day**
  2. Upon conclusion of the negotiations of this JCPOA, the E3/EU+3 (China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) and Iran will endorse this JCPOA.
  3. Promptly after the conclusion of the negotiations of this JCPOA, the proposed UN Security Council resolution referred to in Section 18 of this Annex will be submitted to the UN Security Council for adoption without delay.
  4. The EU will promptly endorse the UN Security Council resolution referred to above through Council Conclusions.
  5. Iran and the IAEA will start developing necessary arrangements to implement all transparency measures provided for in this JCPOA so that such arrangements are completed, in place, and ready for implementation on Implementation Day.
- B. Adoption Day**
  6. Adoption Day will occur 90 days after the endorsement of this JCPOA by the UN Security Council through the resolution referred to above, or at an earlier date by mutual consent of all JCPOA participants, at which point this JCPOA comes into effect.
  7. Beginning on Adoption Day, JCPOA participants will make necessary arrangements and preparations, including legal and administrative preparations, for the implementation of their JCPOA commitments.
  8. Iran will officially inform the IAEA that, effective on Implementation Day, Iran will provisionally apply the Additional Protocol, pending its ratification by the Majlis (Parliament), and will fully implement the modified code 3.1.
  9. Iran will implement paragraph 66 from Section M on “Past and Present Issues of Concern” of Annex I.
  10. The EU and its Member States will adopt an EU Regulation, taking effect as of Implementation Day, terminating all provisions of the EU Regulation implementing all nuclear-related economic and financial EU sanctions as specified in Section 16.1 of this Annex, simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures.
  11. The United States, acting pursuant to Presidential authorities, will issue waivers, to take effect upon Implementation Day, ceasing the application of the statutory nuclear-related sanctions as specified in Sections 17.1 to 17.2 of this Annex. The President will also take action to direct that all appropriate

<sup>1</sup> This Annex is only for the purpose of determining the sequence of implementation of the commitments described in this JCPOA and annexes thereto and does not restrict or expand the scope of these commitments.

additional measures be taken to implement the cessation of application of sanctions as specified in Sections 17.1 to 17.4 of this Annex, including the termination of Executive orders as specified in Section 17.4, and the licensing of activities as specified in Section 17.5.

12. E3/EU+3 participants and Iran will begin discussions on an official document to be concluded in advance of Implementation Day which will express strong commitments of the E3/EU+3 participants to the Arak Heavy Water Reactor modernisation project and define the responsibilities assumed by the E3/EU+3 participants.
13. The EU, its Member States and the United States will begin consultation as appropriate with Iran regarding relevant guidelines and publicly accessible statements on the details of sanctions or restrictive measures to be lifted under this JCPOA.

**C. Implementation Day**

14. Implementation Day will occur upon the IAEA-verified implementation by Iran of the nuclear-related measures described in paragraph 15 below, and, simultaneously, the E3/EU+3 taking the actions described in paragraphs 16 and 17 below, and with the actions described in paragraph 18 below taking place at the UN level in accordance with the UN Security Council resolution.
15. **Iran will implement the nuclear-related measures as specified in Annex I:**
  - 15.1. Paragraphs 3 and 10 from Section B on “Arak Heavy Water Research Reactor”;
  - 15.2. Paragraphs 14 and 15 from Section C on “Heavy Water Production Plant”;
  - 15.3. Paragraphs 27, 28, 29, 29.1 and 29.2 from Section F on “Enrichment Capacity”;
  - 15.4. Paragraphs 32, 33, 34, 35, 36, 37, 38, 39, 40, 41 and 42 from Section G on “Centrifuges Research and Development”;
  - 15.5. Paragraphs 45, 46, 46.1, 46.2, 47.1, 48.1 from Section H on “Fordow Fuel Enrichment Plant”;
  - 15.6. Paragraphs 52, 54 and 55 from Section I on “Other Aspects of Enrichment”;
  - 15.7. Paragraphs 57 and 58 from Section J on “Uranium Stocks and Fuels”;
  - 15.8. Paragraph 62 from Section K on “Centrifuge Manufacturing”;
  - 15.9. Complete the modalities and facilities-specific arrangements to allow the IAEA to implement all transparency measures provided for in Annex I;
  - 15.10. Paragraphs 64 and 65 from Section L on “Additional Protocol and Modified Code 3.1”;
  - 15.11. Paragraphs 80.1 and 80.2 from Section R on “Centrifuge Component Manufacturing Transparency”; and
  - 15.12. Within one year from Implementation Day, Iran will have completed the measures specified in paragraphs 47.2 and 48.2 of Section H on “Fordow Fuel Enrichment Plant”.

**16. The European Union will:**

- 16.1. Terminate the provisions of Council Regulation (EU) No 267/2012 and suspend the corresponding provisions of Council Decision 2010/413/CFSP specified in Sections 1.1.1-1.1.3; 1.1.5-1.1.8; 1.2.1-1.2.5; 1.3.1, 1.3.2 (in so far as it concerns Articles 16 and 17 of Council Decision 2010/413/CFSP) and 1.3.3; 1.4.1 and 1.4.2; 1.10.1.2 (in so far as it concerns Articles 39, 43, 43a of Council Regulation (EU) No 267/2012) of Annex II. EU Member States will terminate or amend national implementing legislation as required.
- 16.2. Amend the provisions of Council Regulation (EU) No 267/2012 and the corresponding provisions of Council Decision 2010/413/CFSP specified in Sections 1.6.1-1.7.2 of Annex II, in connection with activities consistent with this JCPOA.
- 16.3. Remove individuals and entities set forth in Attachment 1 to Annex II of this JCPOA from Annexes VIII and IX to Council Regulation (EU) 267/2012. Suspend the provisions of Council Decision 2010/413/CFSP specified in Section 1.9.1 of Annex II in relation to individuals and entities set forth in Attachment 1 to Annex II.
- 16.4. Amend the provisions of Council Regulation (EU) No 267/2012 and Council Decision 2010/413/CFSP specified in Sections 1.5.1 and 1.5.2 of Annex II to implement the relevant provisions of the UN Security Council resolution referred to above.

**17. The United States will:<sup>2</sup>**

- 17.1. Cease the application of the sanctions set forth in Sections 4.1-4.5 and 4.7 of Annex II, with the exception of Section 211(a) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA);
- 17.2. Cease the application of the sanctions set forth in Section 4.6 of Annex II, in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachment 3 to Annex II;
- 17.3. Remove individuals and entities set forth in Attachment 3 to Annex II from the Specially Designated Nationals and Blocked Persons List (SDN List), the Foreign Sanctions Evaders List (FSE List), and/or the Non-SDN Iran Sanctions Act List as set forth in Section 4.8.1 of Annex II;
- 17.4. Terminate Executive Orders 13574, 13590, 13622, 13645 and Sections 5-7 and 15 of Executive Order 13628 as set forth in Section 4 of Annex II; and
- 17.5. License activities as set forth in Section 5 of Annex II.

**18. UN Security Council**

- 18.1. In accordance with the UN Security Council resolution endorsing this JCPOA, the provisions imposed in UN Security Council resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) will be terminated subject to re-imposition in the event of significant non-performance by Iran of JCPOA commitments, and specific

<sup>2</sup> The sanctions that the United States will cease to apply are those directed towards non-U.S. persons, as described in Section 4 of Annex II.

restrictions, including restrictions regarding the transfer of proliferation sensitive goods will apply.<sup>3</sup>

- 18.2. The E3/EU+3 will take appropriate measures to implement the new UNSC resolution.

**D. Transition Day**

19. Transition Day will occur 8 years from Adoption Day or upon a report from the Director General of the IAEA to the IAEA Board of Governors and in parallel to the UN Security Council stating that the IAEA has reached the Broader Conclusion that all nuclear material in Iran remains in peaceful activities, whichever is earlier.

**20. The European Union will:**

- 20.1. Terminate the provisions of Council Regulation (EU) No 267/2012 and suspend the corresponding provisions of Council Decision 2010/413/CFSP specified in Sections 1.1.4, 1.3.2 (in so far as it concerns Articles 15 and 18 of Council Decision and Articles 36 and 37 of Council Regulation); 1.5.1 and 1.5.2 (in so far as it concerns Ballistic Missiles restrictions); 1.6.1-1.9.1 of Annex II.

- 20.2. Remove individuals and entities set forth in Attachment 2 to Annex II from Annexes VIII and IX to Council Regulation (EU) 267/2012.

- 20.3. Remove individuals and entities set forth in Attachment 1 to Annex II from Annexes I and II to Council Decision 2010/413/CFSP.

- 20.4. Terminate all provisions in Council Decision 2010/413/CFSP suspended on Implementation Day.

**21. The United States will:**

- 21.1. Seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, the statutory sanctions set forth in Sections 4.1-4.5, 4.7 and 4.9 of Annex II;

- 21.2. Seek such legislative action as may be appropriate to terminate, or modify to effectuate the termination of, the statutory sanctions described in Section 4.6 of Annex II, in connection with activities consistent with this JCPOA, including trade with individuals and entities set forth in Attachments 3 and 4 to Annex II; and

- 21.3. Remove individuals and entities set out in Attachment 4 to Annex II from the SDN List and/or the FSE List as set forth in Section 4.8.1 of Annex II.

**22. Iran will:**

- 22.1. Seek, consistent with the Constitutional roles of the President and Parliament, ratification of the Additional Protocol.

**E. UNSCR Termination Day**

23. UNSCR (UN Security Council resolution) Termination Day will occur in accordance with the terms of the UN Security Council resolution endorsing

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<sup>3</sup> The provisions of this Resolution do not constitute provisions of this JCPOA.

the JCPOA, which is 10 years from Adoption Day, provided that the provisions of previous resolutions have not been reinstated.

24. On UNSCR Termination Day, the provisions and measures imposed in that resolution would terminate and the UN Security Council would no longer be seized of the Iran nuclear issue.
25. **The European Union will:**
  - 25.1. Terminate all remaining provisions of Council Regulation (EU) No 267/2012 and Council Decision 2010/413/CFSP.

**F. Other**

26. The terminations described in this Annex V are without prejudice to other JCPOA commitments that would continue beyond such termination dates.

## Annex B: Statement

### Statement

China, France, Germany, the Russian Federation, the United Kingdom, the United States, and the European Union have concluded with Iran a Joint Comprehensive Plan of Action (JCPOA) to reach a comprehensive, long-term and proper solution to the Iranian nuclear issue. To improve transparency and create an atmosphere conducive to the full implementation of the JCPOA, China, France, Germany, the Russian Federation, the United Kingdom, the United States, and the European Union have set forth below certain provisions. Their participation in the JCPOA is contingent upon the United Nations Security Council adopting a new resolution that would, acting under Article 41 of the UN Charter: terminate resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010), and 2224 (2015); require States to comply with the provisions in this statement for their respective durations; and facilitate, in cooperation with the Joint Commission established in the JCPOA, implementation of the JCPOA as provided in paragraphs 2 and 6(a) below.

As provided by a resolution so deciding, the following provisions would apply on the date on which the IAEA Director General submits a report verifying that Iran has taken the actions specified in paragraph 15.1-15.11 of Annex V of the JCPOA:

1. The term “all States” as used in this document, and as incorporated in the resolution, means “all States without exception.”
2. All States may participate in and permit the following activities provided that approval is provided in advance, on a case-by-case basis, by the Security Council:
  - (a) the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to, or for the use in or benefit of, Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1 and INFCIRC/254/Rev.9/Part 2 (or the most recent versions of these documents, as updated by the Security Council), as well as any further items if the State determines that they could contribute to reprocessing or enrichment-related or heavy water-related activities inconsistent with the JCPOA;
  - (b) the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of the items, materials, equipment, goods and technology described in subparagraph (a) above; and
  - (c) acquisition by Iran of an interest in a commercial activity in another State involving uranium mining or production or use of nuclear materials and technology as listed in INFCIRC/254/Rev.12/Part 1, and such investment in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them,

*except that* approval in advance by the Security Council shall not be required for the supply, sale, or transfer to Iran of equipment covered by B.1 of INFCIRC/254/Rev.12/Part 1 when such equipment is for light water reactors, low-enriched uranium covered by A.1.2 of INFCIRC/254/Rev.12/Part 1 when it is incorporated in assembled nuclear fuel elements for such reactors, as well as items, materials, equipment, goods and technology set out in INFCIRC/254/Rev. 9/Part 2 only when for exclusive use in light water reactors.

For any items, materials, equipment, goods and technology that are approved by the Security Council pursuant to subparagraph (a) above, or are supplied, sold, or transferred subject to the exception stated above, States are to ensure that: (a) the requirements, as appropriate, of the Guidelines as set out in the referenced INFCIRC have been met; (b) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; (c) they notify the Security Council within ten days of the supply, sale or transfer; and d) in the case of supplied items, materials, equipment, goods and technology listed in the referenced INFCIRCS, they also notify the IAEA within ten days of the supply, sale or transfer.

*And except also* that approval in advance by the Security Council is not required for the supply, sale, or transfer of items, materials, equipment, goods and technology, and the provision of any related technical assistance, training, financial assistance, investment, brokering or other services, that is directly related to the necessary modification of two cascades at the Fordow facility for stable isotope production, the export of Iran's enriched uranium in excess of 300 kilograms in return for natural uranium, and the modernization of the Arak reactor based on the agreed conceptual design and, subsequently, on the agreed final design of such reactor, provided that Member States ensure that: (a) all such activities are undertaken strictly in accordance with the JCPOA; (b) they notify the Security Council and Joint Commission ten days in advance of such activities; (c) the requirements, as appropriate, of the Guidelines as set out in the referenced INFCIRC have been met; (d) they have obtained and are in a position to exercise effectively a right to verify the end-use and end-use location of any supplied item; and (e) in case of supplied items, materials, equipment, goods and technology listed in the referenced INFCIRCS, they also notify the IAEA within ten days of the supply, sale or transfers.

This paragraph shall apply until the date ten years after JCPOA Adoption Day, as defined in the JCPOA, except if the IAEA submits a report confirming the Broader Conclusion before that date, then the requirement to obtain approval in advance by the Security Council shall be suspended immediately and, beginning on the date of this suspension, the exceptions provided for in this paragraph shall continue to apply and all States may participate in and permit the activities set forth in this paragraph if they notify the Security Council and the Joint Commission at least ten working days in advance of each such activity on a case-by-case basis.

3. Iran is called upon not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology, until the date eight years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier.

4. All States may participate in and permit the activities described below *provided* that the Security Council decides in advance on a case-by-case basis to permit such activity:
  - (a) the supply, sale or transfer directly or indirectly from their territories, or by their nationals or using their flag vessels or aircraft to or from Iran, or for the use in or benefit of Iran, and whether or not originating in their territories, of all items, materials, equipment, goods and technology set out in S/2015/546 and of any items, materials, equipment, goods and technology that the State determines could contribute to the development of nuclear weapon delivery systems; and
  - (b) the provision to Iran of any technology or technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, or Iran's acquisition of an interest in any commercial activity in another State, related to the supply, sale, transfer, manufacture or use of the items, materials, equipment, goods and technology described in subparagraph a of this paragraph or related to the activities described in paragraph 3.

*provided* that in the event of an approval by the Security Council: (a) the contract for delivery of such items or assistance include appropriate end-user guarantees; and (b) Iran commit not to use such items for development of nuclear weapon delivery systems.

This paragraph shall apply until the date eight years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier.

5. All States may participate in and permit, *provided* that the Security Council decides in advance on a case-by-case basis to approve: the supply, sale or transfer directly or indirectly from or through their territories, or by their nationals or individuals subject to their jurisdiction, or using their flag vessels or aircraft, and whether or not originating in their territories, to Iran, or for the use in or benefit of Iran, of any battle tanks, armoured combat vehicles, large caliber artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems, as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel, including spare parts, and the provision to Iran by their nationals or from or through their territories of technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, manufacture, maintenance, or use of arms and related materiel described in this subparagraph.

This paragraph shall apply until the date five years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier.

6. All States are to:
  - (a) Take the necessary measures to ensure that any activities described in paragraphs 2, 4, and 5 occur on their territories, or involving their nationals or individuals subject to their jurisdiction, or involving their flag vessels or aircraft, only pursuant to the relevant terms of those paragraphs, and also to prevent and prohibit any activities inconsistent

with these provisions, until the date ten years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier;

- (b) Take the necessary measures to prevent, except as decided otherwise by the UN Security Council in advance on a case-by-case basis, the supply, sale, or transfer of arms or related materiel from Iran by their nationals or using their flag vessels or aircraft, and whether or not originating in the territory of Iran, until the date five years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier;
- (c) For eight years after the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier, continue to freeze the funds, other financial assets and economic resources which are on their territories at the date of adoption of the JCPOA, and freeze the funds, other financial assets and economic resources which are on their territories at any time thereafter, that are owned or controlled by the individuals and entities that were specified on the list established and maintained by the Committee pursuant to resolution 1737 (2006) as of the date of adoption of the new resolution, with the exception of those individuals and entities specified in Attachment hereto, or that may be de-listed by the Security Council, and freeze those of additional individuals and entities that may be designated by the Security Council as: having engaged in, directly associated with or provided support for Iran's proliferation-sensitive nuclear activities undertaken contrary to Iran's commitments in the JCPOA or the development of nuclear weapon delivery systems, including through the involvement in procurement of prohibited items, goods, equipment, materials and technology specified in this statement; having assisted designated individuals or entities in evading or acting inconsistently with the JCPOA or the new resolution; having acted on behalf or at the direction of designated individuals or entities; or having been owned or controlled by designated individuals or entities, including through illicit means.
- (d) For eight years from the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier, ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any individuals or entities within their territories, to or for the benefit of designated individuals or entities. These requirements shall not apply to funds, other financial assets or economic resources that have been determined by relevant States:
  - i. To be necessary for basic expenses, including payment for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges or exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services, or fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds,

other financial assets and economic resources, after notification by the relevant States to the Security Council of the intention to authorize, where appropriate, access to such funds, other financial assets or economic resources and in the absence of a negative decision by the Security Council within five working days of such notification;

- ii. To be necessary for extraordinary expenses, provided that such determination has been notified by the relevant States to the Security Council and has been approved by the Security Council;
- iii. To be necessary for the civil nuclear cooperation projects described in Annex III of the JCPOA, provided that such determination has been notified by the relevant States to the Security Council and has been approved by the Security Council;
- iv. To be the subject of a judicial, administrative or arbitral lien or judgment, in which case the funds, other financial assets and economic resources may be used to satisfy that lien or judgment provided that the lien or judgment was entered into prior to the date of Security Council resolution 1737 (2006), is not for the benefit of a person or entity subject to the measures in this paragraph, and has been notified by the relevant States to the Security Council; or
- v. To be necessary for activities directly related to the items specified in paragraph 2, or to any other activity required for the implementation of the JCPOA, provided that such determination has been notified by the relevant States to the Security Council and has been approved by the Security Council.

In addition, this provision shall not prevent a designated individual or entity from making payment due under a contract entered into prior to the listing of such individual or entity, provided that the relevant States have determined that the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services referred to in this statement; the payment is not directly or indirectly received by an individual or entity subject to the measures in this paragraph; and after notification by the relevant States to the Security Council of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds, other financial assets or economic resources for this purpose, ten working days prior to such authorization.

In addition, States may permit the addition to the accounts frozen pursuant to this paragraph of interest or other earnings due on those accounts or payments due under contracts, agreements or obligations that arose prior to the date on which those accounts were frozen, provided that such interest, other earnings and payments continue to be subject to these measures and are frozen;

- (e) For five years from the JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier, take the necessary measures to prevent the entry into or transit through their territories of individuals described in paragraphs 6(c) above, although underlining that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory. The measures imposed in this paragraph shall not apply when the Security Council determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Security Council concludes that an exemption would otherwise further the objectives of the new resolution, including where Article XV of the IAEA statute is engaged;
  - (f) Take the required actions, in accordance with the resolution and guidance provided by the Security Council, with respect to items the supply, sale, transfer, or export of which is being undertaken contrary to the provisions contained in the JCPOA or this statement, and cooperate in such efforts.
7. All States are called upon to facilitate full implementation of the JCPOA by inspecting, in accordance with their national authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, all cargo to and from Iran, in their territory, including seaports and airports, if the State concerned has information that provides reasonable grounds to believe that the cargo contains items the supply, sale, transfer, or export of which is being undertaken contrary to the provisions contained in the JCPOA or this statement; and are called upon also to cooperate in inspections on the high seas with the consent of the flag State, if there is information that provides reasonable grounds to believe the vessel is carrying items the supply, sale, transfer or export of which is being undertaken contrary to the provisions contained in the JCPOA or this statement.

China, France, Germany, the Russian Federation, the United Kingdom, the United States and the European Union note their understanding that, upon adoption of a resolution endorsing the JCPOA, the Security Council would make the practical arrangements to undertake directly the tasks specified in this statement, including to monitor and take action to support the implementation by Member States of these provisions, review proposals described in paragraph 2 of this statement, answer inquiries from Member States, provide guidance, and examine information regarding alleged actions inconsistent with the resolution. Furthermore, these states propose that the Security Council ask the Secretary-General to report to the Security Council on the implementation of these provisions every six months.

The duration of the provisions in this statement may be reviewed by the Joint Commission at the request of any participant at its biannual ministerial-level meetings, at which time the Joint Commission could make recommendations by consensus to the Security Council.

ATTACHMENT

1. AGHA-JANI, Dawood
2. ALAI, Amir Moayyed
3. ASGARPOUR, Behman
4. ASHIANI, Mohammad Fedai
5. ASHTIANI, Abbas Rezaee
6. ATOMIC ENERGY ORGANISATION OF IRAN (AEOI)
7. BAKHTIAR, Haleh
8. BEHZAD, Morteza
9. ESFAHAN NUCLEAR FUEL RESEARCH AND PRODUCTION CENTRE (NFRPC) AND ESFAHAN NUCLEAR TECHNOLOGY CENTRE (ENTC)
10. FIRST EAST EXPORT BANK, P.L.C.:
11. HOSSEINI, Seyyed Hussein
12. IRANO HIND SHIPPING COMPANY
13. IRISL BENELUX NV
14. JABBER IBN HAYAN
15. KARAJ NUCLEAR RESEARCH CENTRE
16. KAVOSHYAR COMPANY
17. LEILABADI, Ali Hajinia
18. MESBAH ENERGY COMPANY
19. MODERN INDUSTRIES TECHNIQUE COMPANY
20. MOHAJERANI, Hamid-Reza
21. MOHAMMADI, Jafar
22. MONAJEMI, Ehsan
23. NOBARI, Houshang
24. NOVIN ENERGY COMPANY
25. NUCLEAR RESEARCH CENTER FOR AGRICULTURE AND MEDICINE
26. PARS TRASH COMPANY
27. PISHGAM (PIONEER) ENERGY INDUSTRIES
28. QANNADI, Mohammad
29. RAHIMI, Amir
30. RAHIQI, Javad
31. RASHIDI, Abbas
32. SABET, M. Javad Karimi
33. SAFDARI, Seyed Jaber
34. SOLEYMANI, Ghasem
35. SOUTH SHIPPING LINE IRAN (SSL)
36. TAMAS COMPANY



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**Report of the Secretary-General on the implementation of  
Security Council resolution 2231 (2015)****I. Introduction**

1. On 14 July 2015, diplomatic efforts by China, France, Germany, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the European Union with the Islamic Republic of Iran culminated in agreement on the Joint Comprehensive Plan of Action. On 20 July, the Security Council adopted resolution 2231 (2015), in which the Council endorsed the Plan and called upon all Member States, regional organizations and international organizations to support its implementation. On 18 October 2015, the date of adoption of the agreement (Adoption Day), the Plan came into effect and its participants began to take steps to implement their commitments.

2. On 16 January 2016, upon the submission by the Director General of the International Atomic Energy Agency (IAEA) to the IAEA Board of Governors, and, in parallel, to the Security Council, of a report confirming that the Islamic Republic of Iran had taken the actions specified in paragraphs 15.1 to 15.11 of annex V to the Joint Comprehensive Plan of Action (S/2016/57, annex), I welcomed the achievement of reaching the day of implementation of the Plan (Implementation Day), a key milestone that reflected the good-faith efforts of all parties to the agreement.

3. On the same day, in line with paragraph 7 of resolution 2231 (2015), with the submission of this IAEA report, all provisions of resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) were terminated<sup>1</sup> and all the provisions of annex B to resolution 2231 (2015) entered into force. All States are now to comply with paragraphs 1, 2, 4 and 5 and the provisions in paragraphs 6 (a) to (f) of annex B to the resolution for the duration specified therein and are called upon to comply with paragraphs 3 and 7 of annex B to the

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\* Reissued for technical reasons on 2 August 2016.

<sup>1</sup> These included the proliferation-sensitive nuclear and ballistic missile programmes-related embargo, the arms embargo, the travel ban and asset freeze, the various financial measures and business restrictions and the ban on the provision of bunkering services. The provisions relating to the mandates of the Committee established pursuant to resolution 1737 (2006) and its Panel of Experts were also terminated on Implementation Day.



resolution.<sup>2</sup> The Security Council requested me to report on the implementation of those provisions every six months.

4. The present report is submitted in fulfilment of that request and the request of the President of the Security Council that I submit a report on the implementation of resolution 2231 (2015), with findings and recommendations (S/2016/44, para. 7).

## II. Key findings and recommendations

5. Six months since Implementation Day, I am encouraged by the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Joint Comprehensive Plan of Action. The Islamic Republic of Iran continues to provisionally apply the Additional Protocol to its Safeguards Agreement, pending its entry into force, and the transparency measures contained in the Plan. The Agency reported that it was continuing to verify the non-diversion of declared nuclear material, and that its evaluations regarding the absence of undeclared material or activities were ongoing. Since Implementation Day, the Agency has been verifying and monitoring the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Plan. I call upon Member States to continue to provide support to IAEA so that it may fulfil its mandate under the Plan. In addition, there have been no reports of the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear-related items undertaken contrary to the provisions of the Plan and resolution 2231 (2015).

6. The key practical arrangements for supporting the work of the Security Council and its facilitator for the implementation of resolution 2231 (2015) are in place. In particular, the necessary operational linkages between the Council and the Procurement Working Group of the Joint Commission for the processing of nuclear-related proposals submitted by Member States under the procurement channel have been established, with due regard given to information security and confidentiality. Optional forms in all six official languages of the United Nations are also available for use by Member States.

7. These positive developments notwithstanding, the Islamic Republic of Iran brought to the attention of the Secretariat its view that it has yet to fully benefit from the lifting of multilateral and national sanctions. The concerns raised by the country include issues such as the United States Visa Waiver Program Improvement and Terrorist Travel Prevention Act of 2015 and the confiscation of Central Bank assets following a United States court order. Annex I to the present report reflects the information obtained by the Secretariat in the course of its contacts with Iranian

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<sup>2</sup> These include provisions on nuclear-related transfers, which will apply for up to 10 years, provisions on missile-related transfers and financial measures, including an asset freeze, which will apply for up to 8 years, and provisions on arms-related transfers and a travel ban, which will apply for up to 5 years. In October 2025, provided that the provisions of previous Security Council resolutions have not been reinstated in the event of significant non-compliance with the Joint Comprehensive Plan of Action, all the provisions of resolution 2231 (2015) will be terminated and the Council will have concluded its consideration of the Iranian nuclear issue.

representatives.<sup>3</sup> Implementation challenges exist for any agreement, in particular one as comprehensive and complex as the Joint Comprehensive Plan of Action. I call upon all participants to remain steadfast in their commitment to the full implementation of the agreement and work through challenges in a spirit of cooperation and compromise, good faith and reciprocity. In that regard, I am encouraged by the strong commitments of the European Union and the United States to ensuring that the Plan works for all its participants, including by delivering benefits to the Iranian people.<sup>4</sup>

8. With regard to the implementation of the provisions of annex B to resolution 2231 (2015), I am concerned by the ballistic missile launches conducted by the Islamic Republic of Iran in March 2016. I call upon the Islamic Republic of Iran to refrain from conducting such launches, given that they have the potential to increase tensions in the region. Whereas it is for the Security Council to interpret its own resolutions, I am concerned that those launches are not consistent with the constructive spirit demonstrated by the signing of the Joint Comprehensive Plan of Action.

9. I am also concerned by the reported seizure of an arms shipment by the United States Navy in the Gulf of Oman in March 2016 (see annex II). The United States concluded that the arms had originated in the Islamic Republic of Iran and were likely bound for Yemen. The Islamic Republic of Iran has informed the Secretariat that it never engaged in such delivery (see annex I). I would like to remind all Member States of their obligation to fully implement paragraph 6 (b) of annex B to resolution 2231 (2015), and I call upon them to provide reports on any arms seizures to the Council and to my Office.

10. I wish to draw the attention of the Security Council to the participation of Iranian entities in the Fifth Iraq Defence Exhibition, held in Baghdad in March. No prior approval was requested from the Council for the transfer of arms from the Islamic Republic of Iran to Iraq. The Secretariat has sought clarification from both countries on the issue. The Islamic Republic of Iran has indicated to the Secretariat that, in its view, such an activity did not require prior approval of the Council, given that it retained ownership of the items displayed (see annex I). I recommend that the Council clarify whether paragraph 6 (b) applies to all supply, sale or transfer regardless of change of ownership.

11. An entity on the list established under resolution 2231 (2015)<sup>5</sup> and maintained by the Security Council, the Defence Industries Organisation, also appears to have participated in the exhibition and should have been subject to action under the asset-freeze provisions of the resolution. Likewise, I am informing the Security Council

<sup>3</sup> See also paragraph 6 of the annex to the letter dated 20 July 2015 from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the President of the Security Council, entitled “Statement of the Islamic Republic of Iran following the adoption of United Nations Security Council resolution 2231 (2015) endorsing the Joint Comprehensive Plan of Action” (S/2015/550).

<sup>4</sup> See the “Statement by France, Germany, United Kingdom, United States and the High Representative of the European Union for Foreign Affairs and Security Policy on post-JCPOA business with Iran”, issued on 19 May 2016. Available from [http://eeas.europa.eu/statements-eeas/2016/160519\\_05\\_en.htm](http://eeas.europa.eu/statements-eeas/2016/160519_05_en.htm).

<sup>5</sup> See [www.un.org/en/sc/2231/list.shtml](http://www.un.org/en/sc/2231/list.shtml). Individuals on the list established under resolution 2231 (2015) are subject to the asset freeze and travel ban restrictions. Listed entities are subject to the asset freeze. There are currently 23 individuals and 61 entities listed.

that open-source information indicates that a listed individual, Major General Qasem Soleimani, recently travelled to Iraq. The Secretariat has also sought clarification from the Islamic Republic of Iran and Iraq on those issues, and I intend to report back to the Council accordingly.

12. In its response to queries on the Fifth Iraq Defence Exhibition and the travel by Major General Qasem Soleimani, Iraq informed the Secretariat that it was “fully aware of its obligations according to its understanding regarding resolution 2231 (2015) specifically, operative paragraph 7 (a) and paragraph 18 in annex A, which clearly terminated all previous resolutions and sanctions regime set out in resolutions adopted from 2006-2015”. Furthermore, Iraq stated that resolution 2231 (2015) was “lengthy, technical and confusing”. This demonstrates the importance of further awareness-raising and outreach activities on the provisions of resolution 2231 (2015) and the obligations of Member States.

### **III. Implementation of nuclear-related provisions**

13. In March and June 2016, IAEA issued quarterly reports on its verification and monitoring activities in the Islamic Republic of Iran in the light of resolution 2231 (2015) ([S/2016/250](#) and [S/2016/535](#)). The Agency reported that it was continuing to verify the non-diversion of declared nuclear material and that its evaluations regarding the absence of undeclared nuclear material and activities for the Islamic Republic of Iran were ongoing. The Agency also reported verifying and monitoring the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Joint Comprehensive Plan of Action. In addition, since 16 January 2016, I have not received any report, nor am I aware of any open-source information, regarding the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear-related items undertaken contrary to the provisions of the Plan and resolution 2231 (2015).

14. In resolution 2231 (2015), the Security Council endorsed the establishment under the Joint Comprehensive Plan of Action of a dedicated procurement channel for the transfer of items, materials, equipment, goods and technology required for the nuclear activities of the Islamic Republic of Iran under the Plan. Through this channel, the Council will review and decide on recommendations from the Joint Commission established under the Plan regarding proposals by States to participate in or permit nuclear-related activities set out in paragraph 2 of annex B to resolution 2231 (2015).

15. Provided that they have obtained prior approval from the Security Council, on a case-by-case basis, all States may now participate in and permit the supply, sale or transfer of dual-use and nuclear items, materials, equipment, goods and technology,<sup>6</sup>

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<sup>6</sup> The items, materials, equipment, goods and technology concerned are those set out in International Atomic Energy Agency (IAEA) documents [INF/CIRC/254/Rev.12/Part 1](#) and [INF/CIRC/254/Rev.9/Part 2](#), as well as any other items that the State determines could contribute to reprocessing or enrichment-related or heavy water-related activities inconsistent with the Joint Comprehensive Plan of Action.

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

## Treasury Sanctions Those Involved in Ballistic Missile Procurement for Iran

1/17/2016

*Action Targets 11 Individuals and Entities Responsible for Supporting Iran's Ballistic Missile Program*

**WASHINGTON** – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated 11 entities and individuals involved in procurement on behalf of Iran's ballistic missile program. OFAC sanctioned Mabrooka Trading Co LLC (Mabrooka Trading) – based in the United Arab Emirates (UAE) – and its China- and UAE-based network that have been involved in procuring goods for Iran's ballistic missile program. This network obfuscated the end user of sensitive goods for missile proliferation by using front companies in third countries to deceive foreign suppliers. Also designated today are five Iranian individuals who have worked to procure ballistic missile components for Iran. This action is consistent with the U.S. government's commitment to continue targeting those who assist in Iran's efforts to procure items for its ballistic missile program.

"Iran's ballistic missile program poses a significant threat to regional and global security, and it will continue to be subject to international sanctions," said Adam J. Szubin, acting Under Secretary for Terrorism and Financial Intelligence. "We have consistently made clear that the United States will vigorously press sanctions against Iranian activities outside of the Joint Comprehensive Plan of Action – including those related to Iran's support for terrorism, regional destabilization, human rights abuses, and ballistic missile program."

Hossein Pournaghshband and his company, Mabrooka Trading, are being designated pursuant to Executive Order (E.O.) 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Navid Composite Material Company (Navid Composite), an entity sanctioned in connection with Iran's ballistic missile program. Navid Composite was designated in December 2013 pursuant to E.O. 13382 as an Iran-based subsidiary of U.S.- and UN-designated Sanam Industrial Group, an entity sanctioned for its involvement in Iran's ballistic missile program. At the time of its designation, Navid Composite was contracting with Asia-based entities to procure a carbon fiber production line in order to produce carbon fiber probably suitable for use in ballistic missile components. Since at least early 2015, Pournaghshband used his company, Mabrooka Trading, to procure materials and other equipment for Navid Composite's carbon fiber production plan. Pournaghshband is also being designated today pursuant to E.O. 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Mabrooka Trading.

Chen Mingfu is being designated pursuant to E.O. 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Navid Composite and Mabrooka Trading. Anhui Land Group Co., Limited is also being designated pursuant to E.O. 13382 because it is owned or controlled by Mingfu and for having provided, or attempting to provide, financial, material, technological, or other support to Mabrooka Trading and Pournaghshband. Mingfu brokered deals in support of Mabrooka Trading and Pournaghshband's efforts to procure materials and equipment for Navid Composite's carbon fiber production line. Mingfu, using Hong Kong based-Anhui Land Group Co., Limited, provided logistical support to Mabrooka Trading and Navid Composite.

Candid General Trading is being designated pursuant to E.O. 13382 for having provided, or attempting to provide, financial, material, technological, or other support to Mabrooka Trading and Pournaghshband. Rahim Reza Farghadani, the Managing Director of Candid General Trading, is also being designated pursuant to E.O. 13382 for acting for or on behalf of Candid General Trading. Candid General Trading has conducted financial transactions for Mabrooka Trading and Pournaghshband for goods intended for Navid Composite.

Sayyed Javad Musavi is being designated today pursuant to E.O. 13382 because he provided or attempted to provide financial, material, technological, or other support for, or goods or services in support of, the Shahid Hemmat Industrial Group (SHIG). SHIG was identified in the Annex to E.O. 13382 in June 2005 as a subsidiary of Iran's Aerospace Industries Organization (AIO). AIO, which is subordinate to Iran's Ministry of Defense for Armed Forces Logistics (MODAFL), manages and coordinates Iran's ballistic missile program. Musavi is the SHIG commercial director and has worked directly with North Korean officials in Iran from UN- and U.S.-designated Korea Mining Development Trading Corporation (KOMID). SHIG also coordinates KOMID shipments to Iran. The shipments have included valves, electronics, and measuring equipment suitable for use in ground testing of liquid propellant ballistic missiles and space launch vehicles. Within the past several years, Iranian missile technicians from SHIG traveled to North Korea to work on an 80-ton rocket booster being developed by the North Korean government.

Seyed Mirahmad Nooshin, Sayyed Medhi Farahi, and Seyed Mohammad Hashemi are also being designated today. Nooshin, the Director of SHIG, is being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of SHIG, and because he provided, or attempted to provide, financial, material, technological, or other support for, or goods or services in support of, SHIG. Farahi, the current Deputy of MODAFL, and Hashemi, an official in MODAFL, are also being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of MODAFL, and because they provided, or attempted to provide, financial, material, technological, or other support for, or goods or services in support of, MODAFL. Farahi and Nooshin have been critical to the development of the 80-ton rocket booster, and both traveled to Pyongyang during contract negotiations.

Mehrdada Akhlaghi Katabachi is being designated today for acting or purporting to act for or on behalf of AIO. Katabachi is currently the Director of AIO. He was previously designated in 2008 pursuant to E.O. 13382 for acting or purporting to act for or on behalf of Shahid Bakeri Industrial Group, which was identified in the Annex to E.O. 13382 in June 2005 and is involved in Iran's missile program.

For identifying information regarding today's action, click [here](#).

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## **Second report of the Secretary-General on the implementation of Security Council resolution 2231 (2015)**

### **I. Introduction**

1. On 20 July 2015, the Security Council, in its resolution 2231 (2015), endorsed the Joint Comprehensive Plan of Action concluded by China, France, Germany, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the European Union, with the Islamic Republic of Iran.

2. In the same resolution, the Security Council requested that I submit a report on the provisions contained in annex B to resolution 2231 (2015) every six months. The present report is the second submitted in fulfilment of that request and the request of the President of the Security Council that I submit a report on the implementation of resolution 2231 (2015), with findings and recommendations (S/2016/44, para. 7).<sup>1</sup>

3. The provisions of annex B to resolution 2231 (2015) entered into force on 16 January 2016, upon submission by the Director General of the International Atomic Energy Agency (IAEA) of a report confirming that the Islamic Republic of Iran had taken a series of initial nuclear-related actions as called for in the Joint Comprehensive Plan of Action and in resolution 2231 (2015) (S/2016/57, annex).

4. Annex B includes provisions applicable to nuclear-related transfers, ballistic missile-related transfers, and arms-related transfers to or from the Islamic Republic of Iran, as well as the asset freeze and travel ban provisions. All those provisions will apply for set periods of time or until the date on which IAEA submits its report indicating the broader conclusion that all nuclear material in the Islamic Republic of Iran remains in peaceful activities (the “broader conclusion” report),<sup>2</sup> whichever is earlier.

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<sup>1</sup> The first report of the Secretary-General was issued on 12 July 2016 (S/2016/589).

<sup>2</sup> In paragraph 6 of resolution 2231 (2015), the Security Council requested that as soon as IAEA has reached the broader conclusion that all nuclear material in the Islamic Republic of Iran remains in peaceful activities, the Director General of IAEA will submit a report confirming that conclusion to the IAEA Board of Governors and, in parallel, to the Security Council.



## II. Key findings and recommendations

5. Since 16 January 2016, I have not received any report on the supply, sale, transfer or export to the Islamic Republic of Iran of nuclear-related items undertaken contrary to the provisions of annex B to resolution 2231 (2015). Since my first report (S/2016/589), five additional nuclear-related proposals were submitted through the procurement channel, three of which have already been approved by the Security Council. All the necessary operational linkages between the Council and the Joint Commission established in the Joint Comprehensive Plan of Action are in place and functioning fully for the processing of such proposals, with due regard given to information security and confidentiality.

6. Since 12 July 2016, no information regarding Iranian ballistic missile activity or ballistic missile-related transfers undertaken contrary to the provisions of annex B to resolution 2231 (2015) were brought to my attention or that of the Security Council.

7. I received one new report on an arms transfer alleged to have originated in the Islamic Republic of Iran and to have been undertaken contrary to the provisions of annex B to resolution 2231 (2015). On 5 July 2016, France informed the Security Council and me that, in March 2016, it had seized an arms shipment in the northern Indian Ocean. France concluded that the arms shipment originated in the Islamic Republic of Iran and was likely bound for Somalia or Yemen. In addition, the Secretariat was recently provided with information (by the Combined Maritime Forces and Australia) on an arms seizure in February 2016 by the Royal Australian Navy, off the coast of Oman, which the United States of America assessed as having originated in the Islamic Republic of Iran. I look forward to the opportunity for the Secretariat to examine those weapons and previously seized weapons, in order to corroborate the information provided and independently ascertain the origin of the shipments.

8. On 24 June 2016, the Secretary-General of Hizbullah, Hassan Nasrallah, stated in a televised speech that it receives all its weapons and missiles from the Islamic Republic of Iran. Any Iranian arms transfer to Hizbullah would have been undertaken contrary to the provisions of annex B to resolution 2231 (2015) should they have taken place after 16 January 2016.<sup>3</sup>

9. On 21 November 2016, Israel drew my attention to information it possessed regarding the alleged use of commercial flights by the Islamic Revolutionary Guard Corps to transfer arms and related materiel to Hizbullah. The information was also provided to the Security Council in identical letters from the Permanent Representative of Israel, dated 21 November (S/2016/987). The Islamic Republic of Iran, in identical letters dated 22 November 2016 (S/2016/992), asserted that the claims were baseless and unsubstantiated accusations. I wish to remind all Member States of their obligations under resolution 2231 (2015) to prevent, except as decided otherwise by the Council in advance on a case-by-case basis, the supply, sale or transfer of arms or related materiel from the Islamic Republic of Iran.

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<sup>3</sup> Any Iranian arms transfer to Hizbullah between the adoption of resolution 1747 (24 March 2007) and 16 January 2016 would have constituted a violation of paragraph 5 of that resolution. The provisions of resolution 1747 (2007) and those of other previous Security Council resolutions on the Iranian nuclear issue were terminated on 16 January 2016.

27. On 5 July 2016, France brought to my attention information on the seizure of an arms shipment that, in its assessment, had originated in the Islamic Republic of Iran and was likely bound for Somalia or Yemen.<sup>5</sup> According to information provided, the French frigate *Provence*, operating as part of the Combined Task Force 150, boarded a stateless dhow on 20 March 2016 in the northern Indian Ocean. That action resulted in the discovery of weapons aboard the vessel that included 2,000 AK-47 assault rifles, 64 Hoshdar-M sniper rifles, 6 type-73 machine guns and 9 Kornet anti-tank missiles. On the basis of an analysis of available information, including interviews with the crew and an inspection of the weapons, France concluded that the weapons had originated in the Islamic Republic of Iran and that their transfer was being undertaken contrary to paragraph 6 (b) of annex B to resolution 2231 (2015).

28. That report was brought to the attention of the Permanent Mission of the Islamic Republic of Iran to the United Nations by the Security Council facilitator for the implementation of resolution 2231 (2015), in July 2016. In addition, the Secretariat has requested the opportunity to examine the arms seized and obtain additional information.

29. In March 2016, the Combined Maritime Forces announced the seizure of a weapons cache aboard a small fishing vessel off the coast of Oman by HMAS *Darwin* of the Royal Australian Navy, also operating as part of the Combined Task Force 150.<sup>6</sup> Upon the request of the Secretariat, Australia and the Combined Maritime Forces recently provided information on that arms seizure. According to information provided, on 28 February 2016, HMAS *Darwin* discovered aboard a stateless dhow, the *Samer*, a total of 1,989 AK-47 assault rifles, 100 RPG-7 rocket-propelled grenade launchers, 49 PKM general purpose machine guns, 39 PKM spare barrels and twenty 60 mm mortar tubes.

30. According to the United States, that arms shipment originated in the Islamic Republic of Iran.<sup>7</sup> The Secretariat is still reviewing the information recently provided by Australia and the Combined Maritime Forces, and I intend to provide an update on the arms seizure in due course.

31. In a televised speech broadcast by Al-Manar television on 24 June 2016, the Secretary-General of Hizbullah stated that the budget of Hizbullah, its salaries, expenses, weapons and missiles all came from the Islamic Republic of Iran. I am very concerned by that statement, which suggests that transfers of arms and related materiel from the Islamic Republic of Iran to Hizbullah may have been undertaken contrary to the provisions of annex B to resolution 2231 (2015).<sup>3</sup> The Secretariat raised the matter with representatives of the Permanent Mission of the Islamic Republic of Iran to the United Nations in November 2016. In the course of the Secretariat's contact with the Permanent Mission to seek clarification on this issue, the Islamic Republic of Iran underlined "that measures undertaken by the Islamic

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<sup>5</sup> That information was also communicated to the Security Council, the Committee pursuant to resolutions 751 (1992) and 1907 (2009) concerning Somalia and Eritrea and the Committee established pursuant to resolution 2140 (2014).

<sup>6</sup> "HMAS Darwin seizes large weapons cache", Combined Maritime Force press release dated 6 March 2016.

<sup>7</sup> See "Third Illicit Arms Shipment in Recent Weeks Seized in Arabian Sea", United States Navy, story number NNS160404-01, dated 4 April 2016.

Republic of Iran in combating terrorism and violent extremism in the region have been consistent with its national security interests and international commitments”.

32. In addition, in identical letters dated 21 November 2016 (S/2016/987), the Permanent Representative of Israel stated that the Islamic Republic of Iran continues to transfer arms and related materiel to Hizbullah in order to supply Hizbullah with the capacity to enhance its missile arsenal. According to Israel, those arms and related materiel are shipped by the Islamic Revolutionary Guard Corps, using commercial flights from the Islamic Republic of Iran either directly to Beirut or to Damascus (the arms and related materiel being subsequently shipped to Lebanon by land). In identical letters dated 22 November 2016, the Permanent Representative of the Islamic Republic of Iran stated that the information was baseless and “without a shred of evidence” (S/2016/992).

## VI. Implementation of the assets freeze provisions

33. Pursuant to paragraphs 6 (c) and (d) of annex B to resolution 2231 (2015), all States shall freeze the funds, other financial assets and economic resources of the individuals and entities on the list maintained pursuant to resolution 2231 (2015) and ensure that no funds, financial assets or economic resources are made available to those individuals and entities.

34. In July 2016, I brought to the attention of the Council that an entity presently on the list maintained pursuant to resolution 2231 (2015),<sup>8</sup> the Defence Industries Organisation, appeared to have participated in the Fifth Iraq Defence Exhibition in March 2016 (see para. 35 of S/2016/589). Based on the information provided by Iraqi authorities in October 2016 (see para. 25 above), no further action will be taken by the Secretariat in relation to this matter.

35. Since my previous report, I have not received any other information, nor am I aware of any open-source information, related to the implementation of the paragraphs 6 (c) and (d) of annex B to resolution 2231 (2015).

## VII. Implementation of the travel ban provision

36. Pursuant to paragraph 6 (e) of annex B to resolution 2231 (2015), all States are to take the measures necessary to prevent the entry into or transit through their territories of the individuals on the list maintained pursuant to resolution 2231 (2015). At the time of the drafting of the present report, no travel exemption requests were received or granted by the Security Council in relation to individuals presently on the list.

<sup>8</sup> The list maintained pursuant to resolution 2231 (2015) includes the individuals and entities specified on the list established under resolution 1737 (2006) and maintained by the Security Council Committee established pursuant to resolution 1737 (2006), as at the date of adoption of resolution 2231 (2015), with the exception of 36 individuals and entities specified in the attachment to annex B to resolution 2231 (2015), who were delisted on Implementation Day. The Council can delist individuals or entities, and list additional individuals and entities found to meet certain designation criteria defined by resolution 2231 (2015). There are currently 23 individuals and 61 entities on the list maintained pursuant to resolution 2231 (2015).

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Treasury Sanctions Supporters of Iran's Ballistic Missile Program and Terrorism-Designated Mahan Air**

3/24/2016

**WASHINGTON** – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated entities and individuals for supporting Iran's ballistic missile program and U.S.-designated Iranian airline Mahan Air. Specifically, OFAC designated two Iran-based entities directly involved with Iran's ballistic missile program and updated the entry on the OFAC Specially Designated Nationals and Blocked Persons List for an entity that exercises operational control over Iran's ballistic missiles. OFAC also designated two individuals and two entities based in the United Kingdom (UK) and two entities based in the United Arab Emirates (UAE) that have facilitated Mahan Air's efforts to circumvent sanctions.

These actions are taken pursuant to Executive Orders (E.O.) 13224 and 13382, which block any property and interests in property under U.S. jurisdiction of the designated entities and individuals. In addition, foreign financial institutions or persons that facilitate significant transactions for or provide material or certain other support to the designated entities or individuals risk exposure to sanctions that could sever their access to the U.S. financial system or block their property and interests in property under U.S. jurisdiction.

Today's designations reflect the United States' steadfast commitment to countering Iran's ongoing development of ballistic missiles and its support for terrorism. "Iran's ballistic missile program and its support for terrorism pose a continuing threat to the region, to the United States, and to our partners worldwide," said Adam J. Szubin, Acting Under Secretary for Terrorism and Financial Intelligence. "We will continue to use all of our tools to counteract Iran's ballistic missile program and support for terrorism, including through sanctions."

**Shahid Hemmat Industrial Group**

Two subordinates of Shahid Hemmat Industrial Group (SHIG) – Shahid Nuri Industries and Shahid Movahed Industries – are being designated pursuant to E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, SHIG. SHIG was listed in the Annex of E.O. 13382 on June 28, 2005 and is responsible for Iran's liquid-fueled ballistic missile program.

**Islamic Revolutionary Guard Corps Al-Ghadir Missile Command**

OFAC also updated its listing for the Islamic Revolutionary Guard Corps (IRGC) Missile Command to include the names IRGC Al-Ghadir Missile Command and IRGC Air Force Al-Ghadir Missile Command. The IRGC Missile Command was designated pursuant to E.O. 13382 on June 16, 2010.

The IRGC Al-Ghadir Missile Command is a specific element within the IRGC and appears to be the entity that has operational control of the ballistic missiles. Officials from the IRGC Al-Ghadir Missile Command were involved in the October 10, 2015 medium-range ballistic missile (MRBM) launch. The IRGC Al-Ghadir Missile Command officials were involved in other MRBM launches since as early as 2008.

On March 8 and 9, 2016, the IRGC conducted two successive days of ballistic missile tests. A senior missile commander in the IRGC indicated on March 9 that Iran's missile program would not stop under any circumstances.

**UK-based individuals and companies supporting Mahan Air**

Jeffrey John James Ashfield, Aviation Capital Solutions, and Aircraft, Avionics, Parts & Support Ltd. (AAPS) are being designated pursuant to E.O. 13224 for providing financial, material, or technological support for, or financial or other services to or in support of, Mahan Air. John Edward Meadows is being designated pursuant to E.O. 13224 for acting for or on behalf of AAPS.

Jeffrey John James Ashfield is a UK-based businessman who as of late 2015 was directly involved in the negotiation of the purchase of U.S.-manufactured aircraft engines on behalf of Mahan Air, which was designated under E.O. 13224 in October 2011.

Aviation Capital Solutions, owned and represented by Ashfield, has facilitated the purchase of aircraft engines and other services on behalf of Mahan Air.

AAPS has worked to provide aviation parts and financing to Mahan Air. AAPS has facilitated millions of dollars in financial transactions with companies affiliated with Mahan Air, including Grandeur General Trading FZE, also designated today, and Sirjanco Trading LLC, which was designated in May 2013 for acting for or on behalf of Mahan Air.

John Edward Meadows is the UK based-director of AAPS and with AAPS has worked to provide aviation parts and financing to Mahan Air.

**UAE-based companies supporting Mahan Air**

Grandeur General Trading FZE and HSI Trading FZE are being designated pursuant to E.O. 13224 for providing financial, material, or technological support for, or financial or other services to or in support of, Mahan Air.

Since early 2011, Grandeur General Trading FZE has acted as a representative in maintenance agreements, negotiated the purchase of aircraft, and made a payment on behalf of Mahan Air.

Since 2015, HSI Trading FZE, a UAE-based trading company, has worked to provide financial assistance to Mahan Air by transferring funds to assist with Mahan Air's business acquisitions. HSI Trading FZE has also acted as an intermediary in negotiating the purchase of aircraft on behalf of Mahan Air.

**Background on Mahan Air**

Mahan Air was previously designated in October 2011 pursuant to E.O. 13224 for providing financial, material, and technological support to the IRGC-Qods Force (IRGC-QF). The IRGC-QF was previously designated on October 25, 2007 pursuant to E.O. 13224 for its support to numerous terrorist groups. Sanctions that apply to Mahan Air, the IRGC-QF, and any other person who remains designated in connection with Iran's support for terrorism or Iran's proliferation of weapons of mass destruction and their means of delivery fall outside the scope of the relief provided in the Joint Comprehensive Plan of Action, and as such, were not lifted on Implementation Day. In addition, secondary sanctions continue to apply to non-U.S. persons who knowingly facilitate significant financial transactions with or provide material or certain other support to those Iranian or Iran-related persons that remain or are placed on the SDN List.

Based in Tehran, Iran, Mahan Air has facilitated IRGC-QF transportation and arms and funds shipments. Mahan Air also continues to support the Iranian government's destabilizing actions in the region by conducting flights to Syria in order to transport fighters. Mahan Air regularly uses the same aircraft it flies to Syria to fly commercial passenger routes to international destinations in Europe, the Middle East, and Asia.

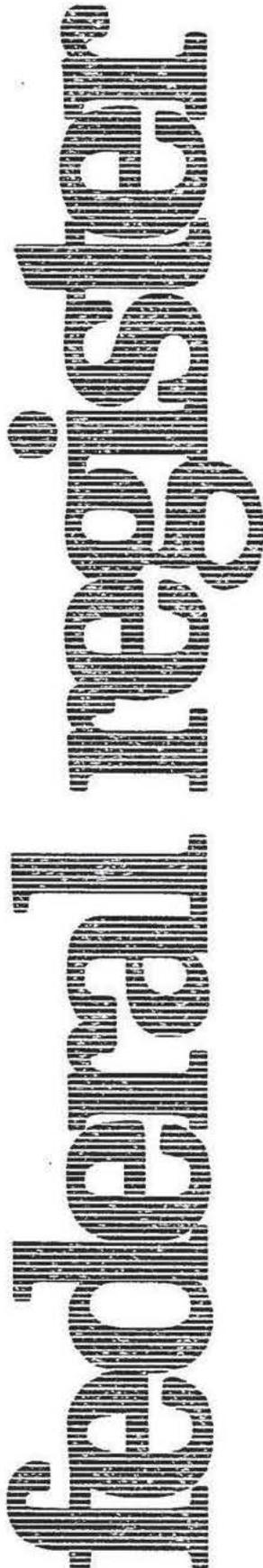
In order to support its illicit activity, Mahan Air often uses complicated transactions through a series of intermediary companies and individuals – such as the individuals and companies identified above – to negotiate sales contracts, and these companies deliberately fail to disclose Mahan Air as the end-user of the purchased equipment. For example, these intermediaries may use false invoices to obtain aircraft maintenance services for Mahan Air.

For identifying information on today's action, click [here](#).

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Monday  
January 23, 1984



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## Selected Subjects

- Animal Diseases**
  - Animal and Plant Health Inspection Service
- Aviation Safety**
  - Federal Aviation Administration
- Banks, Banking**
  - Federal Deposit Insurance Corporation
  - Federal Home Loan Bank Board
- Chemicals**
  - Environmental Protection Agency
- Commodity Exchanges**
  - Commodity Futures Trading Commission
- Employee Benefit Plans**
  - Internal Revenue Service
- Endangered and Threatened Species**
  - Fish and Wildlife Service
- Government Property Management**
  - General Services Administration
- Grant Programs—Energy**
  - Conservation and Renewable Energy Office
- Indians—Education**
  - Education Department
- Oil Imports**
  - Economic Regulatory Administration
- Television Broadcasting**
  - Federal Communications Commission

CONTINUED INSIDE

**DATE AND TIME:** February 13, 1984, 8:30 a.m. to 5 p.m.; and February 14, 1984, 8:30 a.m. to 12 noon.

**ADDRESS:** National Aeronautics and Space Administration, FB 10-B, February 13, Room 625-T, and February 14, Room 226-A, 600 Independence Ave. SW, Washington, D.C.

**FOR FURTHER INFORMATION CONTACT:** Henry V. Bielstein, M.D., Code EB, National Aeronautics and Space Administration, Washington, DC 20546 (202/453-1546).

**SUPPLEMENTARY INFORMATION:** The Life Sciences Advisory Committee consults with and advises the Council and NASA on the accomplishments and plans of NASA's Life Sciences Programs.

This meeting will be closed to the public from 4 p.m. to 5 p.m. on February 13 for a discussion of candidates being considered for Committee membership. During this session, the qualifications of proposed new members will be candidly discussed and appraised. Since this session will be concerned throughout with matters listed in 5 U.S.C. 552(c)(6), it has been determined that this session should be closed to the public. The remainder of the meeting will be open to the public up to the seating capacity of the room (approximately 35 persons including committee members and other participants).

**Type of Meeting**

Open—except for a closed session as noted in the agenda below.

**February 13, 1984**

8:30 a.m.—Committee Functions (Open session).

9 a.m.—SL-1 Preliminary Results (Open session).

10:30 a.m.—Review Life Sciences' Program Plan (Open session).

1 p.m.—Review of Space Station Plan (Open session).

4:00 p.m.—LSAC Membership (Closed session).

**February 14, 1984**

8:30 a.m.—Status of space Biomedical Institute (Open session).

9:30 a.m.—Advocacy Paper (Open session).  
12 noon—Adjourn.

Dated: January 17, 1984.

Richard L. Daniels,

Director, Management Support Office, Office of Management.

[FR Doc. 84-1748 Filed 1-20-84; 8:45 am]

BILLING CODE 7510-01-M

**PACIFIC NORTHWEST ELECTRIC POWER AND CONSERVATION PLANNING COUNCIL**

**Hydropower Options Task Force; Regular Meeting Notice**

**AGENCY:** Hydropower Options Task Force of the Pacific Northwest Electric Power and Conservation Planning Council (Northwest Power Planning Council).

**ACTION:** Notice of meeting.

Notice of meeting to be held pursuant to the Federal Advisory Committee Act, 5 U.S.C. Appendix I, 1-4. Activities will include:

- Review of Hydropower Options Task Force Charter
- Discussion of Bonneville proposal
- Discussion of Work Schedule
- Business
- Public Comment.

**STATUS:** Open.

**SUMMARY:** The Northwest Power Planning Council hereby announces a forthcoming meeting of its Hydropower Options Task Force.

**DATE:** Tuesday, January 31, 1984. 9 a.m.

**ADDRESS:** The meeting will be held at the Council Hearing Room at 700 SW Taylor, Suite 200, in Portland, Oregon.

**FOR FURTHER INFORMATION CONTACT:** Tom Foley, (503) 222-5161.

Edward Sheets,

Executive Director.

[FR Doc. 84-1787 Filed 1-20-84; 8:45 am]

BILLING CODE 0000-00-M

**DEPARTMENT OF STATE**

**Office of the Secretary**

[Secretarial Determination 84-3]

**Determination Pursuant to Section 6(i) of the Export Administration Act of 1979—Iran**

In accordance with Section 6(i) of the Export Administration Act of 1979, 50 U.S.C. App. 2405(i), I hereby determine that Iran is a country which has repeatedly provided support for acts of international terrorism.

George P. Shultz,  
Secretary of State.

[FR Doc. 84-1825 Filed 1-20-84; 8:45 am]

BILLING CODE 4710-08-M

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**National Airspace Review; Meeting**

**AGENCY:** Federal Aviation Administration, DOT.

**ACTION:** National Airspace Review Plan Revision.

**SUMMARY:** On April 22, 1982, the National Airspace Review plan was published in the Federal Register. The plan encompassed a review of airspace use and the procedural aspects of the air traffic control system. Subsequent revisions to the schedule of various task groups have been made. This notice advises that Task Group 2-4.4, Helicopter Operations, Approach Procedures, which was scheduled to begin February 20, 1984, has been postponed until after April 30, 1984, in order to ensure availability of pertinent flight test data results to the task group. A specific date for this task group session will be provided in a subsequent notice in conjunction with other plan revisions.

**FOR FURTHER INFORMATION CONTACT:** National Airspace Review Program Management Staff, room 1005, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, D.C. 20591, 202-426-3560.

Issued in Washington, D.C., on January 11, 1984.

Karl D. Trautmann,

Manager, Special Projects Staff Air Traffic Service.

[FR Doc. 84-1750 Filed 1-20-84; 8:45 am]

BILLING CODE 4910-13-M

**Radio Technical Commission For Aeronautics (RTCA), Special Committee 151—Airborne Microwave Landing System Area Navigation Equipment; Meeting**

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463; 5 U.S.C. App. I) notice is hereby given of a meeting of RTCA Special Committee 151 on Airborne Microwave Landing System (MLS) Area Navigation Equipment to be held on February 8-10, 1984, in the RTCA Conference Room, One McPherson Square, 1425 K Street NW., Suite 500, Washington, D.C. commencing at 9:30 a.m.

The Agenda for this meeting is as follows: (1) Chairman's Introductory Remarks; (2) Approval of Minutes of the

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Federal Register

Vol. 49, No. 13

Monday, January 23, 2024

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# U.S. Department of State

## Diplomacy in Action

### State Sponsors of Terrorism

Countries determined by the Secretary of State to have repeatedly provided support for acts of international terrorism are designated pursuant to three laws: section 6(j) of the Export Administration Act, section 40 of the Arms Export Control Act, and section 620A of the Foreign Assistance Act. Taken together, the four main categories of sanctions resulting from designation under these authorities include restrictions on U.S. foreign assistance; a ban on defense exports and sales; certain controls over exports of dual use items; and miscellaneous financial and other restrictions.

Designation under the above-referenced authorities also implicates other sanctions laws that penalize persons and countries engaging in certain trade with state sponsors. Currently there are three countries designated under these authorities: Iran, Sudan, and Syria.

Country	Designation Date
Iran	January 19, 1984
Sudan	August 12, 1993
Syria	December 29, 1979

For more details about State Sponsors of Terrorism, see "Overview of State Sponsored Terrorism" in [Country Reports on Terrorism \(http://www.state.gov/j/ct/rls/crt/\)](http://www.state.gov/j/ct/rls/crt/).

The Office of Website Management, Bureau of Public Affairs, manages this site as a portal for information from the U.S. State Department.

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Note: documents in Portable Document Format (PDF) require Adobe Acrobat Reader 5.0 or higher to view, [download Adobe Acrobat Reader \(http://get.adobe.com/reader/\)](http://get.adobe.com/reader/).

## EXECUTIVE ORDER NO. 12613

October 30, 1987, 52 FR 41940

### PROHIBITING IMPORTS FROM IRAN

By the authority vested in me as President by the Constitution and laws of the United States of America, including section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9), and section 301 of Title 3 of the United States Code,

I, RONALD REAGAN, President of the United States of America, find that the Government of Iran is actively supporting terrorism as an instrument of state policy. In addition, Iran has conducted aggressive and unlawful military action against U.S.-flag vessels and merchant vessels of other non-belligerent nations engaged in lawful and peaceful commerce in international waters of the Persian Gulf and territorial waters of non-belligerent nations of that region. To ensure that United States imports of Iranian goods and services will not contribute financial support to terrorism or to further aggressive actions against non-belligerent shipping, I hereby order that:

**Section 1.** Except as otherwise provided in regulations issued pursuant to this Order, no goods or services of Iranian origin may be imported into the United States, including its territories and possessions, after the effective date of this Order.

**Sec. 2.** The prohibition contained in Section 1 shall not apply to:

- (a) Iranian-origin publications and materials imported for news publications or news broadcast dissemination;
- (b) Petroleum products refined from Iranian crude oil in a third country;
- (c) articles imported directly from Iran into the United States that were exported from Iran prior to the effective date of this Order.

**Sec. 3.** This Order shall take effect at 12:01 p.m. Eastern Standard Time on October 29, 1987, except as otherwise provided in regulations issued pursuant to this Order.

**Sec. 4.** The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

**Sec. 5.** The measures taken pursuant to this Order are in response to the actions of the Government of Iran referred to above, occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those actions.

This Order shall be transmitted to the Congress and published in the Federal Register.

RONALD REAGAN

## Presidential Documents

Title 3—

Executive Order 12957 of March 15, 1995

The President

### Prohibiting Certain Transactions With Respect to the Development of Iranian Petroleum Resources

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code,

I, WILLIAM J. CLINTON, President of the United States of America, find that the actions and policies of the Government of Iran constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order:

**Section 1.** The following are prohibited, except to the extent provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order: (a) the entry into or performance by a United States person, or the approval by a United States person of the entry into or performance by an entity owned or controlled by a United States person, of (i) a contract that includes overall supervision and management responsibility for the development of petroleum resources located in Iran, or (ii) a guaranty of another person's performance under such a contract;

(b) the entry into or performance by a United States person, or the approval by a United States person of the entry into or performance by an entity owned or controlled by a United States person, of (i) a contract for the financing of the development of petroleum resources located in Iran, or (ii) a guaranty of another person's performance under such a contract; and

(c) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

**Sec. 2.** For the purposes of this order: (a) The term "person" means an individual or entity;

(b) The term "entity" means a partnership, association, trust, joint venture, corporation, or other organization;

(c) The term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States; and

(d) The term "Iran" means the land territory claimed by Iran and any other area over which Iran claims sovereignty, sovereign rights or jurisdiction, including the territorial sea, exclusive economic zone, and continental shelf claimed by Iran.

**Sec. 3.** The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by the International Emergency Economic Powers Act as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States

Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

**Sec. 4.** Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

**Sec. 5.** (a) This order is effective at 12:01 a.m., eastern standard time, on March 16, 1995.

(b) This order shall be transmitted to the Congress and published in the **Federal Register**.



THE WHITE HOUSE,  
March 15, 1995.

[FR Doc. 95-6849

Filed 3-15-95; 4:50 pm]

Billing code 3195-01-P

Executive Order

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Tuesday  
May 9, 1995

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**Part X**

**The President**

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**Executive Order 12959—Prohibiting  
Certain Transactions With Respect to Iran**



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# Presidential Documents

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**Title 3—****Executive Order 12959 of May 6, 1995****The President****Prohibiting Certain Transactions With Respect to Iran**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9) (ISDCA), and section 301 of title 3, United States Code,

I, WILLIAM J. CLINTON, President of the United States of America, in order to take steps with respect to Iran in addition to those set forth in Executive Order No. 12957 of March 15, 1995, to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States referred to in that order, hereby order:

**Section 1.** The following are prohibited, except to the extent provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order: (a) the importation into the United States, or the financing of such importation, of any goods or services of Iranian origin, other than Iranian-origin publications and materials imported for news publications or news broadcast dissemination;

(b) except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)), the exportation from the United States to Iran, the Government of Iran, or to any entity owned or controlled by the Government of Iran, or the financing of such exportation, of any goods, technology (including technical data or other information subject to the Export Administration Regulations, 15 CFR Parts 768–799 (1994) (the “EAR”)), or services;

(c) the reexportation to Iran, the Government of Iran, or to any entity owned or controlled by the Government of Iran, of any goods or technology (including technical data or other information) exported from the United States, the exportation of which to Iran is subject to export license application requirements under any United States regulations in effect immediately prior to the issuance of this order, unless, for goods, they have been (i) substantially transformed outside the United States, or (ii) incorporated into another product outside the United States and constitute less than 10 percent by value of that product exported from a third country;

(d) except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)), any transaction, including purchase, sale, transportation, swap, financing, or brokering transactions, by a United States person relating to goods or services of Iranian origin or owned or controlled by the Government of Iran;

(e) any new investment by a United States person in Iran or in property (including entities) owned or controlled by the Government of Iran;

(f) the approval or facilitation by a United States person of the entry into or performance by an entity owned or controlled by a United States person of a transaction or contract (i) prohibited as to United States persons by subsection (c), (d), or (e) above, or (ii) relating to the financing of activities prohibited as to United States persons by those subsections, or of a guaranty of another person’s performance of such transaction or contract; and

(g) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

**Sec. 2.** For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States;

(d) the term "Iran" means the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements; and

(e) the term "new investment" means (i) a commitment or contribution of funds or other assets, or (ii) a loan or other extension of credit.

**Sec. 3.** The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, the requirement of reports, including reports by United States persons on oil transactions engaged in by their foreign affiliates with Iran or the Government of Iran, and to employ all powers granted to the President by IEEPA and ISDCA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

**Sec. 4.** The Secretary of the Treasury may not authorize the exportation or reexportation to Iran, the Government of Iran, or an entity owned or controlled by the Government of Iran of any goods, technology, or services subject to export license application requirements of another agency of the United States Government, if authorization of the exportation or reexportation by that agency would be prohibited by law.

**Sec. 5.** Sections 1 and 2 of Executive Order No. 12613 of October 29, 1987, and sections 1 and 2 of Executive Order No. 12957 of March 15, 1995, are hereby revoked to the extent inconsistent with this order. Otherwise, the provisions of this order supplement the provisions of Executive Orders No. 12613 and 12957.

**Sec. 6.** Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

**Sec. 7.** The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

**Sec. 8.** (a) This order is effective at 12:01 a.m., eastern daylight time, on May 7, 1995, except that (i) section 1(b), (c), and (d) of this order shall not apply until 12:01 a.m., eastern daylight time, on June 6, 1995, to trade transactions under contracts in force as of the date of this order if such transactions are authorized pursuant to Federal regulations in force immediately prior to the date of this order ("existing trade contracts"), and (ii) letters of credit and other financing agreements with respect to existing trade contracts may be performed pursuant to their terms with respect to underlying trade transactions occurring prior to 12:01 a.m., eastern daylight time, on June 6, 1995.

(b) This order shall be transmitted to the Congress and published in the **Federal Register**.

A handwritten signature in black ink that reads "William J. Clinton". The signature is written in a cursive style with a large, prominent initial "W".

THE WHITE HOUSE,  
*May 6, 1995.*

[FR Doc. 95-11694  
Filed 5-8-95; 2:43 pm]  
Billing code 3195-01-P

## Presidential Documents

### Executive Order 13059 of August 19, 1997

### Prohibiting Certain Transactions With Respect to Iran

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) ("IEEPA"), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9) ("ISDCA"), and section 301 of title 3, United States Code,

I, WILLIAM J. CLINTON, President of the United States of America, in order to clarify the steps taken in Executive Orders 12957 of March 15, 1995, and 12959 of May 6, 1995, to deal with the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States declared in Executive Order 12957 in response to the actions and policies of the Government of Iran, hereby order:

**Section 1.** Except to the extent provided in section 3 of this order or in regulations, orders, directives, or licenses issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, the importation into the United States of any goods or services of Iranian origin or owned or controlled by the Government of Iran, other than information or informational materials within the meaning of section 203(b)(3) of IEEPA (50 U.S.C. 1702(b)(3)), is hereby prohibited.

**Sec. 2.** Except to the extent provided in section 3 of this order, in section 203(b) of IEEPA (50 U.S.C. 1702(b)), or in regulations, orders, directives, or licenses issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, the following are prohibited:

(a) the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran, including the exportation, reexportation, sale, or supply of any goods, technology, or services to a person in a third country undertaken with knowledge or reason to know that:

(i) such goods, technology, or services are intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran or the Government of Iran; or

(ii) such goods, technology, or services are intended specifically for use in the production of, for commingling with, or for incorporation into goods, technology, or services to be directly or indirectly supplied, transshipped, or reexported exclusively or predominantly to Iran or the Government of Iran;

(b) the reexportation from a third country, directly or indirectly, by a person other than a United States person of any goods, technology, or services that have been exported from the United States, if:

(i) undertaken with knowledge or reason to know that the reexportation is intended specifically for Iran or the Government of Iran, and

(ii) the exportation of such goods, technology, or services to Iran from the United States was subject to export license application requirements under any United States regulations in effect on May 6, 1995, or thereafter

is made subject to such requirements imposed independently of the actions taken pursuant to the national emergency declared in Executive Order 12957; provided, however, that this prohibition shall not apply to those goods or that technology subject to export license application requirements if such goods or technology have been:

(A) substantially transformed into a foreign-made product outside the United States; or

(B) incorporated into a foreign-made product outside the United States if the aggregate value of such controlled United States goods and technology constitutes less than 10 percent of the total value of the foreign-made product to be exported from a third country;

(c) any new investment by a United States person in Iran or in property, including entities, owned or controlled by the Government of Iran;

(d) any transaction or dealing by a United States person, wherever located, including purchasing, selling, transporting, swapping, brokering, approving, financing, facilitating, or guaranteeing, in or related to:

(i) goods or services of Iranian origin or owned or controlled by the Government of Iran; or

(ii) goods, technology, or services for exportation, reexportation, sale, or supply, directly or indirectly, to Iran or the Government of Iran;

(e) any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this order if performed by a United States person or within the United States; and

(f) any transaction by a United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

**Sec. 3.** Specific licenses issued pursuant to Executive Orders 12613 (of October 29, 1987), 12957, or 12959 continue in effect in accordance with their terms except to the extent revoked, amended, or modified by the Secretary of the Treasury. General licenses, regulations, orders, and directives issued pursuant to those orders continue in effect in accordance with their terms except to the extent inconsistent with this order or to the extent revoked, amended, or modified by the Secretary of the Treasury.

**Sec. 4.** For the purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, trust, joint venture, corporation, or other organization;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States;

(d) the term "Iran" means the territory of Iran and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the Government of Iran claims sovereignty, sovereign rights, or jurisdiction, provided that the Government of Iran exercises partial or total de facto control over the area or derives a benefit from economic activity in the area pursuant to international arrangements;

(e) the term "Government of Iran" includes the Government of Iran, any political subdivision, agency, or instrumentality thereof, and any person owned or controlled by, or acting for or on behalf of, the Government of Iran;

(f) the term "new investment" means:

(i) a commitment or contribution of funds or other assets; or

(ii) a loan or other extension of credit, made after the effective date of Executive Order 12957 as to transactions prohibited by that order, or otherwise made after the effective date of Executive Order 12959.

**Sec. 5.** The Secretary of the Treasury, in consultation with the Secretary of State and, as appropriate, other agencies, is hereby authorized to take such actions, including the promulgation of rules and regulations, the requirement of reports, including reports by United States persons on oil and related transactions engaged in by their foreign affiliates with Iran or the Government of Iran, and to employ all powers granted to me by IEEPA and the ISDCA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

**Sec. 6.** (a) The Secretary of the Treasury may authorize the exportation or reexportation to Iran or the Government of Iran of any goods, technology, or services also subject to export license application requirements of another agency of the United States Government only if authorization by that agency of the exportation or reexportation to Iran would be permitted by law.

(b) Nothing contained in this order shall be construed to supersede the requirements established under any other provision of law or to relieve a person from any requirement to obtain a license or other authorization from another department or agency of the United States Government in compliance with applicable laws and regulations subject to the jurisdiction of that department or agency.

**Sec. 7.** The provisions of this order consolidate the provisions of Executive Orders 12613, 12957, and 12959. Executive Order 12613 and subsections (a), (b), (c), (d), and (f) of section 1 of Executive Order 12959 are hereby revoked with respect to transactions occurring after the effective date of this order. The revocation of those provisions shall not alter their applicability to any transaction or violation occurring before the effective date of this order, nor shall it affect the applicability of any rule, regulation, order, license, or other form of administrative action previously taken pursuant to Executive Orders 12613 or 12959.

**Sec. 8.** Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

**Sec. 9.** The measures taken pursuant to this order are in response to actions of the Government of Iran occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those later actions.

**Sec. 10.** (a) This order is effective at 12:01 a.m. eastern daylight time on August 20, 1997.

(b) This order shall be transmitted to the Congress and published in the Federal Register.



THE WHITE HOUSE,  
August 19, 1997.

[United States Code Annotated](#)

[Title 28. Judiciary and Judicial Procedure \(Refs & Annos\)](#)

[Part IV. Jurisdiction and Venue \(Refs & Annos\)](#)

[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1602

§ 1602. Findings and declaration of purpose

[Currentness](#)

The Congress finds that the determination by United States courts of the claims of foreign states to immunity from the jurisdiction of such courts would serve the interests of justice and would protect the rights of both foreign states and litigants in United States courts. Under international law, states are not immune from the jurisdiction of foreign courts insofar as their commercial activities are concerned, and their commercial property may be levied upon for the satisfaction of judgments rendered against them in connection with their commercial activities. Claims of foreign states to immunity should henceforth be decided by courts of the United States and of the States in conformity with the principles set forth in this chapter.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2892.)

28 U.S.C.A. § 1602, 28 USCA § 1602

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

[United States Code Annotated](#)

[Title 28. Judiciary and Judicial Procedure \(Refs & Annos\)](#)

[Part IV. Jurisdiction and Venue \(Refs & Annos\)](#)

[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1603

§ 1603. Definitions

Effective: February 18, 2005

[Currentness](#)

For purposes of this chapter--

(a) A “foreign state”, except as used in [section 1608](#) of this title, includes a political subdivision of a foreign state or an agency or instrumentality of a foreign state as defined in subsection (b).

(b) An “agency or instrumentality of a foreign state” means any entity--

(1) which is a separate legal person, corporate or otherwise, and

(2) which is an organ of a foreign state or political subdivision thereof, or a majority of whose shares or other ownership interest is owned by a foreign state or political subdivision thereof, and

(3) which is neither a citizen of a State of the United States as defined in [section 1332\(c\)](#) and [\(e\)](#) of this title, nor created under the laws of any third country.

(c) The “United States” includes all territory and waters, continental or insular, subject to the jurisdiction of the United States.

(d) A “commercial activity” means either a regular course of commercial conduct or a particular commercial transaction or act. The commercial character of an activity shall be determined by reference to the nature of the course of conduct or particular transaction or act, rather than by reference to its purpose.

(e) A “commercial activity carried on in the United States by a foreign state” means commercial activity carried on by such state and having substantial contact with the United States.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2892; amended [Pub.L. 109-2](#), § 4(b)(2), Feb. 18, 2005, 119 Stat. 12.)

28 U.S.C.A. § 1603, 28 USCA § 1603

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1604

§ 1604. Immunity of a foreign state from jurisdiction

[Currentness](#)

Subject to existing international agreements to which the United States is a party at the time of enactment of this Act a foreign state shall be immune from the jurisdiction of the courts of the United States and of the States except as provided in [sections 1605](#) to [1607](#) of this chapter.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2892.)

28 U.S.C.A. § 1604, 28 USCA § 1604

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1605

§ 1605. General exceptions to the jurisdictional immunity of a foreign state

Effective: December 16, 2016

[Currentness](#)

(a) A foreign state shall not be immune from the jurisdiction of courts of the United States or of the States in any case--

(1) in which the foreign state has waived its immunity either explicitly or by implication, notwithstanding any withdrawal of the waiver which the foreign state may purport to effect except in accordance with the terms of the waiver;

(2) in which the action is based upon a commercial activity carried on in the United States by the foreign state; or upon an act performed in the United States in connection with a commercial activity of the foreign state elsewhere; or upon an act outside the territory of the United States in connection with a commercial activity of the foreign state elsewhere and that act causes a direct effect in the United States;

(3) in which rights in property taken in violation of international law are in issue and that property or any property exchanged for such property is present in the United States in connection with a commercial activity carried on in the United States by the foreign state; or that property or any property exchanged for such property is owned or operated by an agency or instrumentality of the foreign state and that agency or instrumentality is engaged in a commercial activity in the United States;

(4) in which rights in property in the United States acquired by succession or gift or rights in immovable property situated in the United States are in issue;

(5) not otherwise encompassed in paragraph (2) above, in which money damages are sought against a foreign state for personal injury or death, or damage to or loss of property, occurring in the United States and caused by the tortious act or omission of that foreign state or of any official or employee of that foreign state while acting within the scope of his office or employment; except this paragraph shall not apply to--

(A) any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function regardless of whether the discretion be abused, or

(B) any claim arising out of malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights; or

(6) in which the action is brought, either to enforce an agreement made by the foreign state with or for the benefit of a private party to submit to arbitration all or any differences which have arisen or which may arise between the parties with respect to a defined legal relationship, whether contractual or not, concerning a subject matter capable of settlement by arbitration under the laws of the United States, or to confirm an award made pursuant to such an agreement to arbitrate, if (A) the arbitration takes place or is intended to take place in the United States, (B) the agreement or award is or may be governed by a treaty or other international agreement in force for the United States calling for the recognition and enforcement of arbitral awards, (C) the underlying claim, save for the agreement to arbitrate, could have been brought in a United States court under this section or [section 1607](#), or (D) paragraph (1) of this subsection is otherwise applicable.

(7) Repealed. [Pub.L. 110-181](#), Div. A, § 1083(b)(1)(A)(iii), Jan. 28, 2008, 122 Stat. 341

(b) A foreign state shall not be immune from the jurisdiction of the courts of the United States in any case in which a suit in admiralty is brought to enforce a maritime lien against a vessel or cargo of the foreign state, which maritime lien is based upon a commercial activity of the foreign state: *Provided, That--*

(1) notice of the suit is given by delivery of a copy of the summons and of the complaint to the person, or his agent, having possession of the vessel or cargo against which the maritime lien is asserted; and if the vessel or cargo is arrested pursuant to process obtained on behalf of the party bringing the suit, the service of process of arrest shall be deemed to constitute valid delivery of such notice, but the party bringing the suit shall be liable for any damages sustained by the foreign state as a result of the arrest if the party bringing the suit had actual or constructive knowledge that the vessel or cargo of a foreign state was involved; and

(2) notice to the foreign state of the commencement of suit as provided in [section 1608](#) of this title is initiated within ten days either of the delivery of notice as provided in paragraph (1) of this subsection or, in the case of a party who was unaware that the vessel or cargo of a foreign state was involved, of the date such party determined the existence of the foreign state's interest.

(c) Whenever notice is delivered under subsection (b)(1), the suit to enforce a maritime lien shall thereafter proceed and shall be heard and determined according to the principles of law and rules of practice of suits in rem whenever it appears that, had the vessel been privately owned and possessed, a suit in rem might have been maintained. A decree against the foreign state may include costs of the suit and, if the decree is for a money judgment, interest as ordered by the court, except that the court may not award judgment against the foreign state in an amount greater than the value of the vessel or cargo upon which the maritime lien arose. Such value shall be determined as of the time notice is served under subsection (b)(1). Decrees shall be subject to appeal and revision as provided in other cases of admiralty and maritime jurisdiction. Nothing shall preclude the plaintiff in any proper case from seeking relief in personam in the same action brought to enforce a maritime lien as provided in this section.

(d) A foreign state shall not be immune from the jurisdiction of the courts of the United States in any action brought to foreclose a preferred mortgage, as defined in [section 31301 of title 46](#). Such action shall be brought, heard, and determined in accordance with the provisions of chapter 313 of title 46 and in accordance with the principles of law and rules of practice of suits in rem, whenever it appears that had the vessel been privately owned and possessed a suit in rem might have been maintained.

(e), (f) Repealed. [Pub.L. 110-181](#), Div. A, [Title X, § 1083\(b\)\(1\)\(B\)](#), Jan. 28, 2008, 122 Stat. 341

**(g) Limitation on discovery.--**

**(1) In general.--(A)** Subject to paragraph (2), if an action is filed that would otherwise be barred by [section 1604](#), but for [section 1605A](#) or [section 1605B](#), the court, upon request of the Attorney General, shall stay any request, demand, or order for discovery on the United States that the Attorney General certifies would significantly interfere with a criminal investigation or prosecution, or a national security operation, related to the incident that gave rise to the cause of action, until such time as the Attorney General advises the court that such request, demand, or order will no longer so interfere.

**(B)** A stay under this paragraph shall be in effect during the 12-month period beginning on the date on which the court issues the order to stay discovery. The court shall renew the order to stay discovery for additional 12-month periods upon motion by the United States if the Attorney General certifies that discovery would significantly interfere with a criminal investigation or prosecution, or a national security operation, related to the incident that gave rise to the cause of action.

**(2) Sunset.--(A)** Subject to subparagraph (B), no stay shall be granted or continued in effect under paragraph (1) after the date that is 10 years after the date on which the incident that gave rise to the cause of action occurred.

**(B)** After the period referred to in subparagraph (A), the court, upon request of the Attorney General, may stay any request, demand, or order for discovery on the United States that the court finds a substantial likelihood would--

**(i)** create a serious threat of death or serious bodily injury to any person;

**(ii)** adversely affect the ability of the United States to work in cooperation with foreign and international law enforcement agencies in investigating violations of United States law; or

**(iii)** obstruct the criminal case related to the incident that gave rise to the cause of action or undermine the potential for a conviction in such case.

**(3) Evaluation of evidence.--**The court's evaluation of any request for a stay under this subsection filed by the Attorney General shall be conducted ex parte and in camera.

**(4) Bar on motions to dismiss.--**A stay of discovery under this subsection shall constitute a bar to the granting of a motion to dismiss under [rules 12\(b\)\(6\)](#) and [56 of the Federal Rules of Civil Procedure](#).

**(5) Construction.--**Nothing in this subsection shall prevent the United States from seeking protective orders or asserting privileges ordinarily available to the United States.

**(h) Jurisdictional immunity for certain art exhibition activities.--**

**(1) In general.--If--**

**(A)** a work is imported into the United States from any foreign state pursuant to an agreement that provides for the temporary exhibition or display of such work entered into between a foreign state that is the owner or custodian of such work and the United States or one or more cultural or educational institutions within the United States;

**(B)** the President, or the President's designee, has determined, in accordance with subsection (a) of Public Law 89-259 ([22 U.S.C. 2459\(a\)](#)), that such work is of cultural significance and the temporary exhibition or display of such work is in the national interest; and

**(C)** the notice thereof has been published in accordance with subsection (a) of Public Law 89-259 ([22 U.S.C. 2459\(a\)](#)), any activity in the United States of such foreign state, or of any carrier, that is associated with the temporary exhibition or display of such work shall not be considered to be commercial activity by such foreign state for purposes of subsection (a)(3).

**(2) Exceptions.--**

**(A) Nazi-era claims.--**Paragraph (1) shall not apply in any case asserting jurisdiction under subsection (a)(3) in which rights in property taken in violation of international law are in issue within the meaning of that subsection and--

**(i)** the property at issue is the work described in paragraph (1);

**(ii)** the action is based upon a claim that such work was taken in connection with the acts of a covered government during the covered period;

**(iii)** the court determines that the activity associated with the exhibition or display is commercial activity, as that term is defined in [section 1603\(d\)](#); and

**(iv)** a determination under clause (iii) is necessary for the court to exercise jurisdiction over the foreign state under subsection (a)(3).

**(B) Other culturally significant works.--**In addition to cases exempted under subparagraph (A), paragraph (1) shall not apply in any case asserting jurisdiction under subsection (a)(3) in which rights in property taken in violation of international law are in issue within the meaning of that subsection and--

**(i)** the property at issue is the work described in paragraph (1);

(ii) the action is based upon a claim that such work was taken in connection with the acts of a foreign government as part of a systematic campaign of coercive confiscation or misappropriation of works from members of a targeted and vulnerable group;

(iii) the taking occurred after 1900;

(iv) the court determines that the activity associated with the exhibition or display is commercial activity, as that term is defined in [section 1603\(d\)](#); and

(v) a determination under clause (iv) is necessary for the court to exercise jurisdiction over the foreign state under subsection (a)(3).

**(3) Definitions.**--For purposes of this subsection--

(A) the term “work” means a work of art or other object of cultural significance;

(B) the term “covered government” means--

(i) the Government of Germany during the covered period;

(ii) any government in any area in Europe that was occupied by the military forces of the Government of Germany during the covered period;

(iii) any government in Europe that was established with the assistance or cooperation of the Government of Germany during the covered period; and

(iv) any government in Europe that was an ally of the Government of Germany during the covered period; and

(C) the term “covered period” means the period beginning on January 30, 1933, and ending on May 8, 1945.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2892; amended [Pub.L. 100-640](#), § 1, Nov. 9, 1988, 102 Stat. 3333; [Pub.L. 100-669](#), § 2, Nov. 16, 1988, 102 Stat. 3969; [Pub.L. 101-650, Title III, § 325\(b\)\(8\)](#), Dec. 1, 1990, 104 Stat. 5121; [Pub.L. 104-132, Title II, § 221\(a\)](#), Apr. 24, 1996, 110 Stat. 1241; [Pub.L. 105-11](#), Apr. 25, 1997, 111 Stat. 22; [Pub.L. 107-77, Title VI, § 626\(c\)](#), Nov. 28, 2001, 115 Stat. 803; [Pub.L. 107-117](#), Div. B, Ch. 2, § 208, Jan. 10, 2002, 115 Stat. 2299; [Pub.L. 109-304](#), § 17(f)(2), Oct. 6, 2006, 120 Stat. 1708; [Pub.L. 110-181, Title X, § 1083\(b\)\(1\)](#), Jan. 28, 2008, 122 Stat. 341; [Pub.L. 114-222](#), § 3(b)(2), Sept. 28, 2016, 130 Stat. 853; [Pub.L. 114-319](#), § 2(a), Dec. 16, 2016, 130 Stat. 1618.)

28 U.S.C.A. § 1605, 28 USCA § 1605

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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28 U.S.C.A. § 1605A

§ 1605A. Terrorism exception to the jurisdictional immunity of a foreign state

Effective: January 28, 2008

[Currentness](#)

**(a) In general.--**

**(1) No immunity.--**A foreign state shall not be immune from the jurisdiction of courts of the United States or of the States in any case not otherwise covered by this chapter in which money damages are sought against a foreign state for personal injury or death that was caused by an act of torture, extrajudicial killing, aircraft sabotage, hostage taking, or the provision of material support or resources for such an act if such act or provision of material support or resources is engaged in by an official, employee, or agent of such foreign state while acting within the scope of his or her office, employment, or agency.

**(2) Claim heard.--**The court shall hear a claim under this section if--

**(A)(i)(I)** the foreign state was designated as a state sponsor of terrorism at the time the act described in paragraph (1) occurred, or was so designated as a result of such act, and, subject to subclause (II), either remains so designated when the claim is filed under this section or was so designated within the 6-month period before the claim is filed under this section; or

**(II)** in the case of an action that is refiled under this section by reason of section 1083(c)(2)(A) of the National Defense Authorization Act for Fiscal Year 2008 or is filed under this section by reason of section 1083(c)(3) of that Act, the foreign state was designated as a state sponsor of terrorism when the original action or the related action under [section 1605\(a\)\(7\)](#) (as in effect before the enactment of this section) or section 589 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (as contained in section 101(c) of division A of [Public Law 104-208](#)) was filed;

**(ii)** the claimant or the victim was, at the time the act described in paragraph (1) occurred--

**(I)** a national of the United States;

**(II)** a member of the armed forces; or

(III) otherwise an employee of the Government of the United States, or of an individual performing a contract awarded by the United States Government, acting within the scope of the employee's employment; and

(iii) in a case in which the act occurred in the foreign state against which the claim has been brought, the claimant has afforded the foreign state a reasonable opportunity to arbitrate the claim in accordance with the accepted international rules of arbitration; or

(B) the act described in paragraph (1) is related to Case Number 1:00CV03110 (EGS) in the United States District Court for the District of Columbia.

(b) **Limitations.**--An action may be brought or maintained under this section if the action is commenced, or a related action was commenced under [section 1605\(a\)\(7\)](#) (before the date of the enactment of this section) or section 589 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (as contained in section 101(c) of division A of [Public Law 104-208](#)) not later than the latter of--

(1) 10 years after April 24, 1996; or

(2) 10 years after the date on which the cause of action arose.

(c) **Private right of action.**--A foreign state that is or was a state sponsor of terrorism as described in subsection (a)(2)(A) (i), and any official, employee, or agent of that foreign state while acting within the scope of his or her office, employment, or agency, shall be liable to--

(1) a national of the United States,

(2) a member of the armed forces,

(3) an employee of the Government of the United States, or of an individual performing a contract awarded by the United States Government, acting within the scope of the employee's employment, or

(4) the legal representative of a person described in paragraph (1), (2), or (3),

for personal injury or death caused by acts described in subsection (a) (1) of that foreign state, or of an official, employee, or agent of that foreign state, for which the courts of the United States may maintain jurisdiction under this section for money damages. In any such action, damages may include economic damages, solatium, pain and suffering, and punitive damages. In any such action, a foreign state shall be vicariously liable for the acts of its officials, employees, or agents.

(d) **Additional damages.**--After an action has been brought under subsection (c), actions may also be brought for reasonably foreseeable property loss, whether insured or uninsured, third party liability, and loss claims under life and property insurance policies, by reason of the same acts on which the action under subsection (c) is based.

**(e) Special masters.--**

**(1) In general.--**The courts of the United States may appoint special masters to hear damage claims brought under this section.

**(2) Transfer of funds.--**The Attorney General shall transfer, from funds available for the program under section 1404C of the Victims of Crime Act of 1984 ([42 U.S.C. 10603c](#)), to the Administrator of the United States district court in which any case is pending which has been brought or maintained under this section such funds as may be required to cover the costs of special masters appointed under paragraph (1). Any amount paid in compensation to any such special master shall constitute an item of court costs.

**(f) Appeal.--**In an action brought under this section, appeals from orders not conclusively ending the litigation may only be taken pursuant to [section 1292\(b\)](#) of this title.

**(g) Property disposition.--**

**(1) In general.--**In every action filed in a United States district court in which jurisdiction is alleged under this section, the filing of a notice of pending action pursuant to this section, to which is attached a copy of the complaint filed in the action, shall have the effect of establishing a lien of lis pendens upon any real property or tangible personal property that is--

**(A)** subject to attachment in aid of execution, or execution, under [section 1610](#);

**(B)** located within that judicial district; and

**(C)** titled in the name of any defendant, or titled in the name of any entity controlled by any defendant if such notice contains a statement listing such controlled entity.

**(2) Notice.--**A notice of pending action pursuant to this section shall be filed by the clerk of the district court in the same manner as any pending action and shall be indexed by listing as defendants all named defendants and all entities listed as controlled by any defendant.

**(3) Enforceability.--**Liens established by reason of this subsection shall be enforceable as provided in chapter 111 of this title.

**(h) Definitions.--**For purposes of this section--

**(1)** the term “aircraft sabotage” has the meaning given that term in Article 1 of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation;

(2) the term “hostage taking” has the meaning given that term in Article 1 of the International Convention Against the Taking of Hostages;

(3) the term “material support or resources” has the meaning given that term in [section 2339A of title 18](#);

(4) the term “armed forces” has the meaning given that term in [section 101 of title 10](#);

(5) the term “national of the United States” has the meaning given that term in section 101(a)(22) of the Immigration and Nationality Act ([8 U.S.C. 1101\(a\)\(22\)](#));

(6) the term “state sponsor of terrorism” means a country the government of which the Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979 ([50 U.S.C. App. 2405\(j\)](#)), section 620A of the Foreign Assistance Act of 1961 ([22 U.S.C. 2371](#)), section 40 of the Arms Export Control Act ([22 U.S.C. 2780](#)), or any other provision of law, is a government that has repeatedly provided support for acts of international terrorism; and

(7) the terms “torture” and “extrajudicial killing” have the meaning given those terms in section 3 of the Torture Victim Protection Act of 1991 ([28 U.S.C. 1350](#) note).

**CREDIT(S)**

(Added [Pub.L. 110-181](#), Div. A, Title X, § 1083(a)(1), Jan. 28, 2008, 122 Stat. 338.)

28 U.S.C.A. § 1605A, 28 USCA § 1605A

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1605B

§ 1605B. Responsibility of foreign states for international terrorism against the United States

Effective: September 28, 2016

[Currentness](#)

**(a) Definition.**--In this section, the term “international terrorism”--

(1) has the meaning given the term in [section 2331 of title 18, United States Code](#); and

(2) does not include any act of war (as defined in that section).

**(b) Responsibility of foreign states.**--A foreign state shall not be immune from the jurisdiction of the courts of the United States in any case in which money damages are sought against a foreign state for physical injury to person or property or death occurring in the United States and caused by--

(1) an act of international terrorism in the United States; and

(2) a tortious act or acts of the foreign state, or of any official, employee, or agent of that foreign state while acting within the scope of his or her office, employment, or agency, regardless where the tortious act or acts of the foreign state occurred.

**(c) Claims by nationals of the United States.**--Notwithstanding [section 2337\(2\) of title 18](#), a national of the United States may bring a claim against a foreign state in accordance with section 2333 of that title if the foreign state would not be immune under subsection (b).

**(d) Rule of construction.**--A foreign state shall not be subject to the jurisdiction of the courts of the United States under subsection (b) on the basis of an omission or a tortious act or acts that constitute mere negligence.

**CREDIT(S)**

(Added [Pub.L. 114-222](#), § 3(a), Sept. 28, 2016, 130 Stat. 853.)

28 U.S.C.A. § 1605B, 28 USCA § 1605B

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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28 U.S.C.A. § 1606

§ 1606. Extent of liability

Effective: November 26, 2002

[Currentness](#)

As to any claim for relief with respect to which a foreign state is not entitled to immunity under [section 1605](#) or [1607](#) of this chapter, the foreign state shall be liable in the same manner and to the same extent as a private individual under like circumstances; but a foreign state except for an agency or instrumentality thereof shall not be liable for punitive damages; if, however, in any case wherein death was caused, the law of the place where the action or omission occurred provides, or has been construed to provide, for damages only punitive in nature, the foreign state shall be liable for actual or compensatory damages measured by the pecuniary injuries resulting from such death which were incurred by the persons for whose benefit the action was brought.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2894; amended [Pub.L. 105-277](#), Div. A, § 101(h) [Title I, § 117(b)], Oct. 21, 1998, 112 Stat. 2681-491; [Pub.L. 106-386](#), Div. C, § 2002(f)(2), Oct. 28, 2000, 114 Stat. 1543; [Pub.L. 107-297](#), Title II, § 201(c)(3), Nov. 26, 2002, 116 Stat. 2337.)

28 U.S.C.A. § 1606, 28 USCA § 1606

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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28 U.S.C.A. § 1607

§ 1607. Counterclaims

Effective: January 28, 2008

[Currentness](#)

In any action brought by a foreign state, or in which a foreign state intervenes, in a court of the United States or of a State, the foreign state shall not be accorded immunity with respect to any counterclaim--

(a) for which a foreign state would not be entitled to immunity under [section 1605](#) or [1605A](#) of this chapter had such claim been brought in a separate action against the foreign state; or

(b) arising out of the transaction or occurrence that is the subject matter of the claim of the foreign state; or

(c) to the extent that the counterclaim does not seek relief exceeding in amount or differing in kind from that sought by the foreign state.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2894; amended [Pub.L. 110-181](#), Div. A, Title X, § 1083(b)(2), Jan. 28, 2008, 122 Stat. 341.)

28 U.S.C.A. § 1607, 28 USCA § 1607

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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28 U.S.C.A. § 1608

§ 1608. Service; time to answer; default

[Currentness](#)

**(a)** Service in the courts of the United States and of the States shall be made upon a foreign state or political subdivision of a foreign state:

**(1)** by delivery of a copy of the summons and complaint in accordance with any special arrangement for service between the plaintiff and the foreign state or political subdivision; or

**(2)** if no special arrangement exists, by delivery of a copy of the summons and complaint in accordance with an applicable international convention on service of judicial documents; or

**(3)** if service cannot be made under paragraphs (1) or (2), by sending a copy of the summons and complaint and a notice of suit, together with a translation of each into the official language of the foreign state, by any form of mail requiring a signed receipt, to be addressed and dispatched by the clerk of the court to the head of the ministry of foreign affairs of the foreign state concerned, or

**(4)** if service cannot be made within 30 days under paragraph (3), by sending two copies of the summons and complaint and a notice of suit, together with a translation of each into the official language of the foreign state, by any form of mail requiring a signed receipt, to be addressed and dispatched by the clerk of the court to the Secretary of State in Washington, District of Columbia, to the attention of the Director of Special Consular Services--and the Secretary shall transmit one copy of the papers through diplomatic channels to the foreign state and shall send to the clerk of the court a certified copy of the diplomatic note indicating when the papers were transmitted.

As used in this subsection, a “notice of suit” shall mean a notice addressed to a foreign state and in a form prescribed by the Secretary of State by regulation.

**(b)** Service in the courts of the United States and of the States shall be made upon an agency or instrumentality of a foreign state:

**(1)** by delivery of a copy of the summons and complaint in accordance with any special arrangement for service between the plaintiff and the agency or instrumentality; or

(2) if no special arrangement exists, by delivery of a copy of the summons and complaint either to an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process in the United States; or in accordance with an applicable international convention on service of judicial documents; or

(3) if service cannot be made under paragraphs (1) or (2), and if reasonably calculated to give actual notice, by delivery of a copy of the summons and complaint, together with a translation of each into the official language of the foreign state--

(A) as directed by an authority of the foreign state or political subdivision in response to a letter rogatory or request or

(B) by any form of mail requiring a signed receipt, to be addressed and dispatched by the clerk of the court to the agency or instrumentality to be served, or

(C) as directed by order of the court consistent with the law of the place where service is to be made.

(c) Service shall be deemed to have been made--

(1) in the case of service under subsection (a)(4), as of the date of transmittal indicated in the certified copy of the diplomatic note; and

(2) in any other case under this section, as of the date of receipt indicated in the certification, signed and returned postal receipt, or other proof of service applicable to the method of service employed.

(d) In any action brought in a court of the United States or of a State, a foreign state, a political subdivision thereof, or an agency or instrumentality of a foreign state shall serve an answer or other responsive pleading to the complaint within sixty days after service has been made under this section.

(e) No judgment by default shall be entered by a court of the United States or of a State against a foreign state, a political subdivision thereof, or an agency or instrumentality of a foreign state, unless the claimant establishes his claim or right to relief by evidence satisfactory to the court. A copy of any such default judgment shall be sent to the foreign state or political subdivision in the manner prescribed for service in this section.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2894.)

28 U.S.C.A. § 1608, 28 USCA § 1608

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

[United States Code Annotated](#)

[Title 28. Judiciary and Judicial Procedure \(Refs & Annos\)](#)

[Part IV. Jurisdiction and Venue \(Refs & Annos\)](#)

[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1609

§ 1609. Immunity from attachment and execution of property of a foreign state

[Currentness](#)

Subject to existing international agreements to which the United States is a party at the time of enactment of this Act the property in the United States of a foreign state shall be immune from attachment arrest and execution except as provided in [sections 1610](#) and [1611](#) of this chapter.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2895.)

28 U.S.C.A. § 1609, 28 USCA § 1609

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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[Title 28. Judiciary and Judicial Procedure \(Refs & Annos\)](#)

[Part IV. Jurisdiction and Venue \(Refs & Annos\)](#)

[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1610

§ 1610. Exceptions to the immunity from attachment or execution

Effective: August 10, 2012

[Currentness](#)

(a) The property in the United States of a foreign state, as defined in [section 1603\(a\)](#) of this chapter, used for a commercial activity in the United States, shall not be immune from attachment in aid of execution, or from execution, upon a judgment entered by a court of the United States or of a State after the effective date of this Act, if--

(1) the foreign state has waived its immunity from attachment in aid of execution or from execution either explicitly or by implication, notwithstanding any withdrawal of the waiver the foreign state may purport to effect except in accordance with the terms of the waiver, or

(2) the property is or was used for the commercial activity upon which the claim is based, or

(3) the execution relates to a judgment establishing rights in property which has been taken in violation of international law or which has been exchanged for property taken in violation of international law, or

(4) the execution relates to a judgment establishing rights in property--

(A) which is acquired by succession or gift, or

(B) which is immovable and situated in the United States: *Provided*, That such property is not used for purposes of maintaining a diplomatic or consular mission or the residence of the Chief of such mission, or

(5) the property consists of any contractual obligation or any proceeds from such a contractual obligation to indemnify or hold harmless the foreign state or its employees under a policy of automobile or other liability or casualty insurance covering the claim which merged into the judgment, or

(6) the judgment is based on an order confirming an arbitral award rendered against the foreign state, provided that attachment in aid of execution, or execution, would not be inconsistent with any provision in the arbitral agreement, or

(7) the judgment relates to a claim for which the foreign state is not immune under [section 1605A](#) or [section 1605\(a\)\(7\)](#) (as such section was in effect on January 27, 2008), regardless of whether the property is or was involved with the act upon which the claim is based.

(b) In addition to subsection (a), any property in the United States of an agency or instrumentality of a foreign state engaged in commercial activity in the United States shall not be immune from attachment in aid of execution, or from execution, upon a judgment entered by a court of the United States or of a State after the effective date of this Act, if--

(1) the agency or instrumentality has waived its immunity from attachment in aid of execution or from execution either explicitly or implicitly, notwithstanding any withdrawal of the waiver the agency or instrumentality may purport to effect except in accordance with the terms of the waiver, or

(2) the judgment relates to a claim for which the agency or instrumentality is not immune by virtue of [section 1605\(a\)\(2\), \(3\), or \(5\)](#) or [1605\(b\)](#) of this chapter, regardless of whether the property is or was involved in the act upon which the claim is based, or

(3) the judgment relates to a claim for which the agency or instrumentality is not immune by virtue of [section 1605A](#) of this chapter or [section 1605\(a\)\(7\)](#) of this chapter (as such section was in effect on January 27, 2008), regardless of whether the property is or was involved in the act upon which the claim is based.

(c) No attachment or execution referred to in subsections (a) and (b) of this section shall be permitted until the court has ordered such attachment and execution after having determined that a reasonable period of time has elapsed following the entry of judgment and the giving of any notice required under [section 1608\(e\)](#) of this chapter.

(d) The property of a foreign state, as defined in [section 1603\(a\)](#) of this chapter, used for a commercial activity in the United States, shall not be immune from attachment prior to the entry of judgment in any action brought in a court of the United States or of a State, or prior to the elapse of the period of time provided in subsection (c) of this section, if--

(1) the foreign state has explicitly waived its immunity from attachment prior to judgment, notwithstanding any withdrawal of the waiver the foreign state may purport to effect except in accordance with the terms of the waiver, and

(2) the purpose of the attachment is to secure satisfaction of a judgment that has been or may ultimately be entered against the foreign state, and not to obtain jurisdiction.

(e) The vessels of a foreign state shall not be immune from arrest in rem, interlocutory sale, and execution in actions brought to foreclose a preferred mortgage as provided in [section 1605\(d\)](#).

(f)(1)(A) Notwithstanding any other provision of law, including but not limited to section 208(f) of the Foreign Missions Act ([22 U.S.C. 4308\(f\)](#)), and except as provided in subparagraph (B), any property with respect to which financial transactions are prohibited or regulated pursuant to section 5(b) of the Trading with the Enemy Act ([50 U.S.C. App. 5\(b\)](#)), section 620(a) of the Foreign Assistance Act of 1961 ([22 U.S.C. 2370\(a\)](#)), sections 202 and 203 of the International

Emergency Economic Powers Act ([50 U.S.C. 1701-1702](#)), or any other proclamation, order, regulation, or license issued pursuant thereto, shall be subject to execution or attachment in aid of execution of any judgment relating to a claim for which a foreign state (including any agency or instrumentality or such state) claiming such property is not immune under [section 1605\(a\)\(7\)](#) (as in effect before the enactment of [section 1605A](#)) or [section 1605A](#).

**(B)** Subparagraph (A) shall not apply if, at the time the property is expropriated or seized by the foreign state, the property has been held in title by a natural person or, if held in trust, has been held for the benefit of a natural person or persons.

**(2)(A)** At the request of any party in whose favor a judgment has been issued with respect to a claim for which the foreign state is not immune under [section 1605\(a\)\(7\)](#) (as in effect before the enactment of [section 1605A](#)) or [section 1605A](#), the Secretary of the Treasury and the Secretary of State should make every effort to fully, promptly, and effectively assist any judgment creditor or any court that has issued any such judgment in identifying, locating, and executing against the property of that foreign state or any agency or instrumentality of such state.

**(B)** In providing such assistance, the Secretaries--

**(i)** may provide such information to the court under seal; and

**(ii)** should make every effort to provide the information in a manner sufficient to allow the court to direct the United States Marshall's office to promptly and effectively execute against that property.

**(3) Waiver.**--The President may waive any provision of paragraph (1) in the interest of national security.

**(g) Property in certain actions.**--

**(1) In general.**--Subject to paragraph (3), the property of a foreign state against which a judgment is entered under [section 1605A](#), and the property of an agency or instrumentality of such a state, including property that is a separate juridical entity or is an interest held directly or indirectly in a separate juridical entity, is subject to attachment in aid of execution, and execution, upon that judgment as provided in this section, regardless of--

**(A)** the level of economic control over the property by the government of the foreign state;

**(B)** whether the profits of the property go to that government;

**(C)** the degree to which officials of that government manage the property or otherwise control its daily affairs;

**(D)** whether that government is the sole beneficiary in interest of the property; or

**(E)** whether establishing the property as a separate entity would entitle the foreign state to benefits in United States courts while avoiding its obligations.

**(2) United States sovereign immunity inapplicable.**--Any property of a foreign state, or agency or instrumentality of a foreign state, to which paragraph (1) applies shall not be immune from attachment in aid of execution, or execution, upon a judgment entered under [section 1605A](#) because the property is regulated by the United States Government by reason of action taken against that foreign state under the Trading With the Enemy Act or the International Emergency Economic Powers Act.

**(3) Third-party joint property holders.**--Nothing in this subsection shall be construed to supersede the authority of a court to prevent appropriately the impairment of an interest held by a person who is not liable in the action giving rise to a judgment in property subject to attachment in aid of execution, or execution, upon such judgment.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2896; amended [Pub.L. 100-640](#), § 2, Nov. 9, 1988, 102 Stat. 3333; [Pub.L. 100-669](#), § 3, Nov. 16, 1988, 102 Stat. 3969; [Pub.L. 101-650, Title III, § 325\(b\)\(9\)](#), Dec. 1, 1990, 104 Stat. 5121; [Pub.L. 104-132, Title II, § 221\(b\)](#), Apr. 24, 1996, 110 Stat. 1243; [Pub.L. 105-277](#), Div. A, § 101(h) [Title I, § 117(a)], Oct. 21, 1998, 112 Stat. 2681-491; [Pub.L. 106-386](#), Div. C, § 2002(g)(1), Oct. 28, 2000, 114 Stat. 1543; [Pub.L. 107-297, Title II, § 201\(c\)\(3\)](#), Nov. 26, 2002, 116 Stat. 2337; [Pub.L. 110-181](#), Div. A, Title X, § 1083(b)(3), Jan. 28, 2008, 122 Stat. 341; [Pub.L. 112-158, Title V, § 502\(e\)\(1\)](#), Aug. 10, 2012, 126 Stat. 1260.)

28 U.S.C.A. § 1610, 28 USCA § 1610

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

[United States Code Annotated](#)

[Title 28. Judiciary and Judicial Procedure \(Refs & Annos\)](#)

[Part IV. Jurisdiction and Venue \(Refs & Annos\)](#)

[Chapter 97. Jurisdictional Immunities of Foreign States](#)

28 U.S.C.A. § 1611

§ 1611. Certain types of property immune from execution

Effective: August 1, 1996

[Currentness](#)

(a) Notwithstanding the provisions of [section 1610](#) of this chapter, the property of those organizations designated by the President as being entitled to enjoy the privileges, exemptions, and immunities provided by the International Organizations Immunities Act shall not be subject to attachment or any other judicial process impeding the disbursement of funds to, or on the order of, a foreign state as the result of an action brought in the courts of the United States or of the States.

(b) Notwithstanding the provisions of [section 1610](#) of this chapter, the property of a foreign state shall be immune from attachment and from execution, if--

(1) the property is that of a foreign central bank or monetary authority held for its own account, unless such bank or authority, or its parent foreign government, has explicitly waived its immunity from attachment in aid of execution, or from execution, notwithstanding any withdrawal of the waiver which the bank, authority or government may purport to effect except in accordance with the terms of the waiver; or

(2) the property is, or is intended to be, used in connection with a military activity and

(A) is of a military character, or

(B) is under the control of a military authority or defense agency.

(c) Notwithstanding the provisions of [section 1610](#) of this chapter, the property of a foreign state shall be immune from attachment and from execution in an action brought under section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 to the extent that the property is a facility or installation used by an accredited diplomatic mission for official purposes.

**CREDIT(S)**

(Added [Pub.L. 94-583](#), § 4(a), Oct. 21, 1976, 90 Stat. 2897; amended [Pub.L. 104-114, Title III, § 302\(e\)](#), Mar. 12, 1996, 110 Stat. 818.)

28 U.S.C.A. § 1611, 28 USCA § 1611

Current through P.L. 114-327. Also includes P.L. 114-329 and 115-1 to 115-18. Title 26 current through 115-18.

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# Federal Register

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Tuesday,  
September 25, 2001

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## Part IV

### The President

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**Executive Order 13224—Blocking  
Property and Prohibiting Transactions  
With Persons Who Commit, Threaten To  
Commit, or Support Terrorism  
Notice of September 24, 2001—  
Continuation of Emergency With Respect  
to UNITA**



# Presidential Documents

**Title 3—****Executive Order 13224 of September 23, 2001****The President****Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*)(IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c) (UNPA), and section 301 of title 3, United States Code, and in view of United Nations Security Council Resolution (UNSCR) 1214 of December 8, 1998, UNSCR 1267 of October 15, 1999, UNSCR 1333 of December 19, 2000, and the multilateral sanctions contained therein, and UNSCR 1363 of July 30, 2001, establishing a mechanism to monitor the implementation of UNSCR 1333,

I, GEORGE W. BUSH, President of the United States of America, find that grave acts of terrorism and threats of terrorism committed by foreign terrorists, including the terrorist attacks in New York, Pennsylvania, and the Pentagon committed on September 11, 2001, acts recognized and condemned in UNSCR 1368 of September 12, 2001, and UNSCR 1269 of October 19, 1999, and the continuing and immediate threat of further attacks on United States nationals or the United States constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and in furtherance of my proclamation of September 14, 2001, Declaration of National Emergency by Reason of Certain Terrorist Attacks, hereby declare a national emergency to deal with that threat. I also find that because of the pervasiveness and expansiveness of the financial foundation of foreign terrorists, financial sanctions may be appropriate for those foreign persons that support or otherwise associate with these foreign terrorists. I also find that a need exists for further consultation and cooperation with, and sharing of information by, United States and foreign financial institutions as an additional tool to enable the United States to combat the financing of terrorism.

I hereby order:

**Section 1.** Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date of this order, all property and interests in property of the following persons that are in the United States or that hereafter come within the United States, or that hereafter come within the possession or control of United States persons are blocked:

(a) foreign persons listed in the Annex to this order;

(b) foreign persons determined by the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, to have committed, or to pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States;

(c) persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, to be owned or controlled by, or to act for or on behalf of those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order;

(d) except as provided in section 5 of this order and after such consultation, if any, with foreign authorities as the Secretary of State, in consultation with the Secretary of the Treasury and the Attorney General, deems appropriate in the exercise of his discretion, persons determined by the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General;

(i) to assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of, such acts of terrorism or those persons listed in the Annex to this order or determined to be subject to this order; or

(ii) to be otherwise associated with those persons listed in the Annex to this order or those persons determined to be subject to subsection 1(b), 1(c), or 1(d)(i) of this order.

**Sec. 2.** Except to the extent required by section 203(b) of IEEPA (50 U.S.C. 1702(b)), or provided in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date:

(a) any transaction or dealing by United States persons or within the United States in property or interests in property blocked pursuant to this order is prohibited, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons listed in the Annex to this order or determined to be subject to this order;

(b) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order is prohibited; and

(c) any conspiracy formed to violate any of the prohibitions set forth in this order is prohibited.

**Sec. 3.** For purposes of this order:

(a) the term "person" means an individual or entity;

(b) the term "entity" means a partnership, association, corporation, or other organization, group, or subgroup;

(c) the term "United States person" means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States; and

(d) the term "terrorism" means an activity that—

(i) involves a violent act or an act dangerous to human life, property, or infrastructure; and

(ii) appears to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by mass destruction, assassination, kidnapping, or hostage-taking.

**Sec. 4.** I hereby determine that the making of donations of the type specified in section 203(b)(2) of IEEPA (50 U.S.C. 1702(b)(2)) by United States persons to persons determined to be subject to this order would seriously impair my ability to deal with the national emergency declared in this order, and would endanger Armed Forces of the United States that are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances, and hereby prohibit such donations as provided by section 1 of this order. Furthermore, I hereby determine that the Trade Sanctions Reform and Export Enhancement Act of 2000 (title IX, Public Law 106-387) shall not affect the imposition or the continuation of the imposition of any unilateral agricultural sanction or unilateral medical sanction on

any person determined to be subject to this order because imminent involvement of the Armed Forces of the United States in hostilities is clearly indicated by the circumstances.

**Sec. 5.** With respect to those persons designated pursuant to subsection 1(d) of this order, the Secretary of the Treasury, in the exercise of his discretion and in consultation with the Secretary of State and the Attorney General, may take such other actions than the complete blocking of property or interests in property as the President is authorized to take under IEEPA and UNPA if the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, deems such other actions to be consistent with the national interests of the United States, considering such factors as he deems appropriate.

**Sec. 6.** The Secretary of State, the Secretary of the Treasury, and other appropriate agencies shall make all relevant efforts to cooperate and coordinate with other countries, including through technical assistance, as well as bilateral and multilateral agreements and arrangements, to achieve the objectives of this order, including the prevention and suppression of acts of terrorism, the denial of financing and financial services to terrorists and terrorist organizations, and the sharing of intelligence about funding activities in support of terrorism.

**Sec. 7.** The Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA and UNPA as may be necessary to carry out the purposes of this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order.

**Sec. 8.** Nothing in this order is intended to affect the continued effectiveness of any rules, regulations, orders, licenses, or other forms of administrative action issued, taken, or continued in effect heretofore or hereafter under 31 C.F.R. chapter V, except as expressly terminated, modified, or suspended by or pursuant to this order.

**Sec. 9.** Nothing contained in this order is intended to create, nor does it create, any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, officers, employees or any other person.

**Sec. 10.** For those persons listed in the Annex to this order or determined to be subject to this order who might have a constitutional presence in the United States, I find that because of the ability to transfer funds or assets instantaneously, prior notice to such persons of measures to be taken pursuant to this order would render these measures ineffectual. I therefore determine that for these measures to be effective in addressing the national emergency declared in this order, there need be no prior notice of a listing or determination made pursuant to this order.

**Sec. 11.** (a) This order is effective at 12:01 a.m. eastern daylight time on September 24, 2001.

(b) This order shall be transmitted to the Congress and published in the **Federal Register**.

A handwritten signature in black ink, appearing to read "George W. Bush". The signature is written in a cursive, flowing style with a long horizontal tail stroke.

THE WHITE HOUSE,  
*September 23, 2001.*

Billing code 3195-01-P

## ANNEX

Al Qaida/Islamic Army  
Abu Sayyaf Group  
Armed Islamic Group (GIA)  
Harakat ul-Mujahidin (HUM)  
Al-Jihad (Egyptian Islamic Jihad)  
Islamic Movement of Uzbekistan (IMU)  
Asbat al-Ansar  
Salafist Group for Call and Combat (GSPC)  
Libyan Islamic Fighting Group  
Al-Itihaad al-Islamiya (AIAI)  
Islamic Army of Aden  
Usama bin Laden  
Muhammad Atif (aka, Subhi Abu Sitta,  
Abu Hafs Al Masri)  
Sayf al-Adl  
Shaykh Sai'id (aka, Mustafa Muhammad Ahmad)  
Abu Hafs the Mauritanian (aka, Mahfouz Ould al-Walid, Khalid Al-Shanqiti)  
Ibn Al-Shaykh al-Libi  
Abu Zubaydah (aka, Zayn al-Abidin Muhammad Husayn, Tariq)  
Abd al-Hadi al-Iraqi (aka, Abu Abdallah)  
Ayman al-Zawahiri  
Thirwat Salah Shihata  
Tariq Anwar al-Sayyid Ahmad (aka, Fathi, Amr al-Fatih)  
Muhammad Salah (aka, Nasr Fahmi Nasr Hasanayn)  
Makhtab Al-Khidamat/Al Kifah  
Wafa Humanitarian Organization  
Al Rashid Trust  
Mamoun Darkazanli Import-Export Company

[FR Doc. 01-24205

Filed 9-24-01; 1:05 pm]

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## Security Council

Distr.: General  
21 December 2001  
English  
Original: French

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### **Letter dated 19 December 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council**

The Counter-Terrorism Committee has received the attached report from the United States of America, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you would arrange for this letter and its annex to be circulated as a document of the Security Council.

*(Signed)* **Jeremy Greenstock**  
Chairman  
Counter-Terrorism Committee



**Annex**

[Original: English]

**United States of America**

**Report of the Counter-Terrorism Committee pursuant  
to paragraph 6 of Security Council resolution  
1373 (2001) of 28 September 2001: implementation of  
resolution 1373 (2001)**

## INTRODUCTION AND SUMMARY

On the day after the heinous September 11 terrorist attacks in Washington and New York, the General Assembly of the United Nations, by consensus of the 189 member states, called for international cooperation to prevent and eradicate acts of terrorism and to hold accountable the perpetrators and those who harbor or support them. That same day, the United Nations Security Council unanimously determined, for the first time ever, any act of international terrorism to be a threat to international peace and security. This determination laid the foundation for Security Council action to bring together the international community under a common set of obligations in the fight to end international terrorism.

On September 28, 2001, the Security Council unanimously adopted Resolution 1373 under Chapter VII of the Charter of the United Nations. This historic resolution established a body of legally binding obligations on all UN member states. It defined the common core of the new international campaign to deal with international terrorists, their organizations, and those who support them.

Its provisions require, among other things, that all member states prevent the financing of terrorism and deny safe haven to terrorists. States will need to review and strengthen their border security operations, banking practices, customs and immigration procedures, law enforcement and intelligence cooperation, and arms transfer controls. All states are called upon to increase cooperation and share pertinent information with respect to these efforts. Resolution 1373 also mandated that each state report on the steps it had taken, and established a committee of the Security Council to monitor implementation. The committee will highlight best practices, identify gaps, and help coordinate advice and assistance to states that need it.

Full implementation of resolution 1373 will require each UN member state to take specific measures to combat terrorism. Most states will have to make changes in their laws, regulations, and practices. Those with the capacity to assist in these changes will be needed to help those who lack the expertise and resources to achieve full implementation. As this report that follows makes clear, the United States is ready to provide technical assistance to help in these efforts. We will work closely with other nations who also have the capacity to assist, and with those seeking assistance. Cooperation is key to success.

It will be especially important that these efforts be sustained in the coming months and years. The goal should be to ensure through the UN that enduring mechanisms are created, and that existing institutions are utilized, to raise the capabilities of all nations to confront the threat of terrorism. As UNSCR 1373 recognizes, there will be a need for enhanced coordination of efforts on national, subregional, regional and global levels.

The United States is waging a broad-ranging campaign both at home and abroad against terrorism, including by taking military action in Afghanistan. As another way of combating terrorism internationally, the United States strongly supports UNSCR 1373 and the Counter Terrorist Committee set up by the resolution, and wishes to see full implementation by all states. As President Bush has promised: "We will direct every resource at our command -- every means of diplomacy, every tool of intelligence, every instrument of law enforcement, every financial influence, and every necessary weapon of war -- to the disruption and to the defeat of the global terror network."

Our report details only some of the many steps that we have been taking to combat terrorism and comply with UNSCR 1373. But, we intend to do even more to ensure that we have taken all

appropriate measures. The following is a list of some of the steps taken, which are detailed in this report.

### **Steps taken by the U.S.**

- ◆ On September 23, Executive Order (E.O.) 13224, froze all the assets of 27 foreign individuals, groups, and entities linked to terrorist acts or supporting terrorism and authorized the freezing of assets of those who commit, or pose a significant threat of committing, acts of terrorism.
- ◆ On September 28, the U.S. sponsored the UN Security Council Resolution 1373, calling on all UN members to criminalize the provision of funds to all terrorists, effectively denying terrorists safe financial haven anywhere.
- ◆ On October 5, the Secretary of State, in consultation with the Attorney General and the Secretary of the Treasury, redesignated 25 terrorist organizations (including al-Qaeda) as foreign terrorist organizations pursuant to the Antiterrorism and Effective Death Penalty Act of 1996. Giving material support or resources to any of these foreign organizations is a felony under U.S. law.
- ◆ On October 12, the U.S. added 39 names to the list of individuals and organizations linked to terrorism or terrorist financing under E.O. 13224.
- ◆ On October 26, the U.S. enacted the USA PATRIOT Act, which significantly expanded the ability of U.S. law enforcement to investigate and prosecute persons who engage in terrorist acts.
- ◆ On October 29, the U.S. created a Foreign Terrorist Tracking Task Force aimed at denying entry into the U.S. of persons suspected of being terrorists and locating, detaining, prosecuting and deporting terrorists already in the U.S.
- ◆ On November 2, the U.S. designated 22 terrorist organizations located throughout the world under E.O. 13224, thus, highlighting the need to focus on terrorist organizations worldwide.
- ◆ On November 7, the U.S. added 62 new organizations and individuals, all of whom were either linked to the Al Barakaat conglomerate or the Al Taqwa Bank, which have been identified as supplying funds to terrorists.
- ◆ On December 4, the U.S. froze under E.O. 13224 the assets and accounts of the Holy Land Foundation in Richardson, Texas, whose funds are used to support the Hamas terrorist organization, and two other entities, bringing the total to 153.
- ◆ On December 5, the Secretary of State designated 39 groups as "terrorist organizations" under the Immigration and Nationality Act, as amended by the new USA PATRIOT Act, in order to strengthen the United States' ability to exclude supporters of terrorism or to deport them if they are found within our borders. We call the list of such designated organizations the "Terrorist Exclusion List."
- ◆ The U.S. has signed and expects to ratify in the near future the UN Convention for the Suppression of the Financing of Terrorism and the UN Convention for the Suppression of Terrorist Bombings.

- ◆ The U.S. has met with numerous multilateral groups and regional organizations to accelerate the exchange of operational information laid out in UNSCR 1373.
- ◆ The U.S. has stepped up bilateral information exchanges through law enforcement and intelligence channels to prevent terrorist acts and to investigate and prosecute the perpetrators of terrorist acts.
- ◆ Our Federal Bureau of Investigation has created an interagency Financial Investigation Group to examine the financial arrangements used to support terrorist attacks. The FBI headquarters houses this group, which includes analysts and investigators from numerous federal agencies and federal prosecutors with backgrounds in investigating and prosecuting financial crimes.
- ◆ The U.S. brought to conclusion the prosecution of four al-Qaeda members for the bombing of U.S. embassies in Dar es Salaam and Nairobi.
- ◆ We have designed a new tamper-resistant U.S. visa, and we have upgraded passports to prevent photo substitution.
- ◆ We have intensified border discussions with Canada and Mexico to improve border security.

### UNSCR 1373 Operative Paragraph 1

***1(a): What measures if any have been taken to prevent and suppress the financing of terrorists acts in addition to those listed in your responses to questions on 1(b) to (d)?***

The assault on the financial underpinnings of terrorism is central to U.S. efforts to fight terrorists and their supporters with every available weapon. Through the September 23 Executive Order freezing U.S. assets of designated individuals and organizations that commit terrorist acts or fund terrorism, and other measures, the U.S. is taking concrete actions internally to combat the financing of terrorist entities. The U.S. also works closely with governments around the world in identifying and freezing terrorists' assets. The U.S. has contacted almost every other UN Member State to encourage them to identify and freeze terrorist assets through implementation of the UN Security Council Resolutions and other means. A list of U.S. actions is set forth below.

#### Freezing of Terrorist Assets

- ◆ President George W. Bush signed **Executive Order (E.O.) 13224<sup>1</sup> on September 23** pursuant to his authority under the International Emergency Economic Powers Act (IEEPA). This order blocks all property and interests in property of foreign persons and entities designated by the President in the Order, or designated by the Secretary of State as committing, or posing a significant risk of committing, acts of terrorism threatening the security of U.S. nationals or U.S. national security, foreign policy, or economy, if that property is either within the U.S. or within the possession or control of U.S. persons.
- ◆ The Order also blocks the property and interests in property of persons determined by the Secretary of the Treasury to provide support or services to, or to be associated with, any individuals or entities designated under the Order. The Secretary of the Treasury may also block property and interests in property of persons determined to be owned or controlled by, or to act for or on behalf of, persons designated in or under the E.O. Any transaction or dealing by U.S. persons or within the U.S. in property and interests in property blocked pursuant to the Order is prohibited.
- ◆ The Order directs the U.S. Government to cooperate and coordinate with foreign governments to suppress and prevent terrorism, to deny financial services and financing to terrorists, and to share intelligence about terrorist financing.
- ◆ Under **Section 219 of the Immigration and Nationality Act<sup>2</sup>** (as amended by the Antiterrorism and Effective Death Penalty Act of 1996), the Secretary of State may, in consultation with the Attorney General and the Secretary of the Treasury, designate an organization as a Foreign Terrorist Organization ("FTO") if the organization is a "foreign organization" that "engages in terrorist activity" that "threatens the security of U.S. nationals or the security of the United States". The Department of the Treasury may require U.S. financial institutions possessing or controlling assets of designated FTOs to block all financial transactions involving these assets. Further, it is a federal crime to provide material support to designated FTOs, and certain members of these FTOs are not allowed to enter or remain in the U.S.

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<sup>1</sup> For further information on U.S. laws, see the following web sites:

[http://www.access.gpo.gov/su\\_docs/aces/dcff001.html#usc](http://www.access.gpo.gov/su_docs/aces/dcff001.html#usc) (for a database index);

<http://www.access.gpo.gov/congress/cong013.html> (for U.S. Codes (U.S.C.)); and,

[http://www.access.gpo.gov/su\\_docs/aces/dcff001.html#cfr](http://www.access.gpo.gov/su_docs/aces/dcff001.html#cfr) (for the Combined Federal Register (CFR))

<sup>2</sup> 8 U.S.C. § 1189

- ◆ Under **Executive Order 12947 of January 23, 1995**, as amended by E.O. 13099 of August 20, 1998, the President designated sixteen organizations, and authorized the Secretary of State to designate additional foreign individuals or entities who have committed, or pose a significant risk of committing, acts of violence with the purpose or effect of disrupting the Middle East peace process, or who have provided support for or services in support of such acts of violence. Designations of terrorism-related organizations and individuals pursuant to the Order, as amended, have continuing validity as actions taken in the U.S. consistent with the objectives of UNSCR 1373.

The Order further authorized the Secretary of the Treasury to block the property of persons determined to be owned or controlled by, or acting for or on behalf of, persons designated in or under the Order. All property and interests in property of persons designated under the Order in the U.S. or in the control of U.S. persons are blocked. Any transaction or dealing in such blocked property is prohibited.

#### Designated Terrorists and Their Supporters

- ◆ E.O. 13224 includes an annex listing 27 organizations and individuals whose assets are blocked by the E.O. because of their ties to terrorism. An additional 39 individuals and organizations were added on October 12. On November 2, we added to the list 22 terrorist organizations already designated as FTOs, but not previously designated under the Order; 62 more individuals and entities were added on November 7, and three additional entities were listed on December 4, bringing the total to 153. The list will be updated periodically. In addition, a total of 28 terrorist organizations have been designated as FTOs, and 16 individuals and entities have been designated under E.O. 12947.

#### Improved Coordination at Home

- ◆ The U.S. is improving coordination and information sharing internally. The Foreign Terrorist Asset Tracking Center (FTAT), in the Office of Foreign Assets Control at the Department of Treasury, identifies the financial infrastructure of terrorist organizations worldwide to curtail their ability to move money through the international banking system.
- ◆ The Federal Bureau of Investigation (FBI) has broadened its investigative efforts on the financial front, in terrorists' use of money laundering, electronic transactions, cyberbanking, and trafficking in valuable gems.

#### Improving Domestic Tools to Stop Financing Terrorism

- ◆ On October 26, President Bush signed into law the **USA PATRIOT Act**,<sup>3</sup> providing for broad new investigative and information sharing between law enforcement and intelligence agencies with respect to terrorist financing. It expands the scope of U.S. regulations against money laundering by requiring securities brokers and dealers to file suspicious activity reports and gives new power to act against money laundering havens. The PATRIOT Act also expands the President's powers to confiscate property under the International Emergency Economic Powers Act (IEEPA) when the U.S. is engaged in armed hostilities or has been attacked.

#### International Cooperation, Outreach and Coordination

- ◆ The U.S. is working to improve international sanctions and anti-money laundering coordination, notably through a multilateral sanctions administrators coordinating group which meets regularly

<sup>3</sup> "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Acts of 2001," Pub. L. No. 107-56, H.R. 3162, 107th Congress (2001)

with the Treasury Department's Office of Financial Assets Control on U.S. and European Union sanctions.

- ◆ The U.S. has strong outreach programs to encourage other nations to join this effort. Senior officials have urged strong action in support of the global effort against terrorist financing, including removal of legal or other barriers that might hinder cooperative efforts.
- ◆ The U.S. will seek to respond to requests for technical assistance to block terrorist assets, cut off terrorist fund flows, and prevent fund-raising activities which benefit terrorists.
- ◆ The U.S. has signed and expects to ratify in the near future the UN Convention for the Suppression of the Financing of Terrorism. Also, the U.S. is a signatory to the UN Convention against Transnational Organized Crime.

#### Important International Initiatives in which the U.S. Plays a Role

- ◆ The U.S. and European Union have developed unprecedented cooperation on counterterrorism since September 11, including close cooperation on the freezing of the assets of terrorists and their supporters, as well as increased assistance in investigations and the sharing of information among law enforcement authorities, increased coordination of measures to strengthen aviation security, further exchanges of ideas on tightening border controls, and increased contact between key judicial and police organizations. Also, a U.S.-EUROPOL Agreement was signed in early December, facilitating the exchange of analytical data.
- ◆ The Secretary of State joined with the Foreign Ministers of the other members of the Organization of the American States to approve a resolution on September 21 condemning the terrorist acts of September 11 and expressing the need for hemispheric solidarity and effective measures against terrorism. On October 15, the Inter-American Committee Against Terrorism (CICTE) formed a sub-committee to increase cooperation in tracking the financial assets of terrorists and their supporters. These recommendations will be approved at the CICTE Regular Session in January.  
  
-- In addition, the Foreign Ministers of States Parties to the Inter-American Treaty of Reciprocal Assistance ("Rio Treaty") adopted a Resolution on September 21 restating their commitment of reciprocal assistance and affirming that measures being taken by the U.S. and other states in reaction to the terrorist attacks of September 11 were in the exercise of their inherent right of individual and collective self-defense.
- ◆ In Shanghai last October, leaders of the Asia Pacific Economic Cooperation (APEC) forum responded to President Bush's call for a coalition to defeat terrorism with a strong statement condemning the terrorist attacks in the U.S. They also committed APEC members to implement relevant UN conventions and resolutions and to take specific steps to stop the flow of funds to terrorists and their supporters, and to steps to ensure aviation and maritime security, strengthen energy security, and enhance border security and customs enforcement.

Among the other important initiatives that we participate in are:

- ◆ The G-7 finance ministers issued a comprehensive action plan on terrorist financing on October 6, calling for a special Financial Action Task Force (FATF) plenary on October 29-30, and an Egmont Group meeting on October 31. G-7 countries have called for increased international coordination and efforts to combat terrorist financing.

- ◆ At its plenary on October 29-30, FATF adopted eight special recommendations focused on combating terrorist financing, and then adopted an action plan to implement them. The overall FATF effort will be reviewed when FATF next meets in Hong Kong in January 2002.
- ◆ At its October 31 meeting, the 58 member nations of the Egmont Group of financial intelligence units agreed to expand information sharing on terrorist financing.
- ◆ The Finance Ministers and Central Bank Governors of the G-20 adopted on November 17 a comprehensive action plan of multilateral cooperation to deny terrorists and their associates access to, or use of, their financial systems, and to stop any abuse of informal banking networks. The plan also calls on G-20 countries to make public the lists of terrorists whose assets are subject to freezing, and the amount of assets frozen. The Manila Framework Group formally endorsed the G-20 Action Plan during its December 2001 meetings.
- ◆ The International Monetary Fund (IMF) has expanded its activities to include efforts aimed at countering terrorist financing. In its November 17 Communiqué, the International Monetary and Financial Committee of the Board of Governors (the IMFC) called on each IMF member to freeze all terrorist assets within its jurisdiction and to implement fully UNSCR 1373. Members should publish monthly reports by February 1, 2002, listing terrorist assets subject to freezing and the amount of assets frozen. Also, the IMF will expand efforts to help countries review and optimize their financial, legal, and institutional frameworks to help ensure that all avenues are closed to terrorism.
- ◆ Within the G-8, the Counter-terrorism Experts Group and the Lyon Group held a second special joint session on November 18-20, adding concrete actions, timelines, and responsibilities to the 25-point G-8 Counter-terrorism Action Plan developed earlier by the two groups. The Plan would advance the fight against terrorism in the areas of aviation security, judicial cooperation, and law enforcement. The Groups meet again in February.
- ◆ In the area of international aviation security, we participate in the Aviation Security (AVSEC) panel of the International Civil Aviation Organization (ICAO) to enhance worldwide aviation security standards. We will participate in the ICAO Ministerial Conference next February to establish an ICAO audit plan for compliance with Annex 17 to the Chicago Convention (on safeguarding civil aviation against acts of unlawful interference), to upgrade certain recommended security practices, and to seek a greater level of participation in voluntary contributions to the AVSEC fund.

***1(b): What are the offences and penalties in your country with respect to the activities listed in this sub-paragraph?***

There are several sources of legal authority for the U.S. government to rely upon in imposing civil and criminal penalties for the provision and collection of funds to provide support to terrorists. These include both laws prohibiting material or other support to terrorists and their supporters, and money laundering laws addressing a variety of criminal activity, including the unlawful movement of money without proper reports.

**Providing Support to Terrorism**

- ◆ Providing “material support” to terrorists or terrorist organizations has been prohibited as a crime since the enactment of the Antiterrorism and Effective Death Penalty Act of 1996. As a result of

the October 26, 2001 enactment of the antiterrorism bill known as the “USA PATRIOT Act”, there is now specific authority to forfeit terrorist assets as well, thus providing a direct means to deprive terrorists of their funds.

- ◆ U.S. law makes it a crime to provide material support or resources within the U.S. to a person intending that the support or resources will be used, or is in preparation for, the commission of a wide variety of specified terrorism-related crimes.<sup>4</sup> “Material support or resources” is very broadly defined and means “currency or other financial securities, financial services, lodging, training, expert advice or assistance, safe houses, false documentation or identification, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.”<sup>5</sup>
- ◆ Property provided as “material support” to a terrorist in violation of 18 U.S.C. § 2339A is subject to forfeiture if it is involved in a transaction or attempted transaction in violation of 18 U.S.C. § 1956-57, or if it is the proceeds of a section 2339A offense.<sup>6</sup>
- ◆ In addition, U.S. law<sup>7</sup> prohibits the provision of “material support” to a Foreign Terrorist Organization.<sup>8</sup> A Foreign Terrorist Organization (FTO) may be designated pursuant to section 219 of the Immigration and Nationality Act.<sup>9</sup> Al-Qaida has been designated as an FTO. When a financial institution becomes aware that it has possession of, or control over, any funds in which a Foreign Terrorist Organization, or its agent, has an interest, it shall retain possession or control over the funds, and report the existence of such funds to the Secretary of the Treasury. Failure to do so may result in civil penalties.
- ◆ Finally, providing prohibited “material support” is punishable criminally by 15 years imprisonment and/or a fine of up to \$250,000 for individuals and \$500,000 for organizations.

#### Money Laundering and Currency Reporting

- ◆ Property brought into or taken out of the United States with the intent to promote one of the terrorist acts or other crimes constituting a Specified Unlawful Activity is subject to civil forfeiture.<sup>10</sup> For example, if U.S. Customs agents learned during an investigation that funds raised in the U.S. were sent, or were attempted to be sent, abroad to fund a terrorist action, or funds came into the United States for such a purpose, the funds would be forfeitable.
- ◆ Currency and other monetary instruments, including a deposit in a financial institution traceable to those instruments, may be forfeited<sup>11</sup> when a required Currency Monetary Instrument Report has not been filed properly. Pursuant to the USA PATRIOT Act, there is now specific authority to forfeit currency and other monetary instruments if someone “knowingly conceals” those instruments to evade a reporting requirement.<sup>12</sup> The U.S. plans to pursue that authority fully.
- ◆ Any person who violates any license, order, or regulation issued pursuant to the International Emergency Economic Powers Act (IEEPA), *i.e.*, the authority under which the President issued Executive Orders 13224 and 12947, may be subject to civil fines, and those who willfully violate, or willfully attempt to violate, any license, order or regulation issued pursuant to IEEPA may be subject to criminal penalties including fines or imprisonment.

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<sup>4</sup> 18 U.S.C. § 2339A

<sup>5</sup> 18 U.S.C. § 2339A

<sup>6</sup> 18 U.S.C. § 981(a)(1)(A) would authorize forfeiture for the transaction offense, and 18 U.S.C. § 981(a)(1)(C) would authorize forfeiture for the proceeds offense.

<sup>7</sup> 18 U.S.C. § 2339B

<sup>8</sup> 12 U.S.C. § 2339B

<sup>9</sup> 8 U.S.C. § 1189

<sup>10</sup> 18 U.S.C. § 981(a)(1)(A) (as property involved in a violation of 18 U.S.C. § 1956(a)(2)(A))

<sup>11</sup> 31 U.S.C. § 5317(e)

<sup>12</sup> 31 U.S.C. § 5332 (the new Bulk Cash Smuggling offense)

***1(c): What legislation and procedures exist for freezing accounts and assets at banks and financial institutions?***

President George W. Bush signed Executive Order (E.O.) 13224 on September 23 pursuant to his authority under the International Emergency Economic Powers Act (IEEPA). This Order allows for the blocking of property and interests in property of all persons designated pursuant to the Order. Such designations include terrorists, as well as those who provide support or services to, or associate with, persons with terrorism-related links. (See the response to Paragraph 1.a in this report for further detail on E.O. 13224 and other, related measures.)

E.O. 13224 also charged the Secretary of the Treasury, in consultation with the Secretary of State and the Attorney General, with responsibility for its implementation, including the promulgation of regulations related to the sanctions.

Therefore, designated terrorist property and interests in property, including funds and financial assets or economic resources, within the U.S. or in the possession or control of a U.S. person, are blocked. Any transaction or dealing in the U.S. or by U.S. persons in such blocked property and interests in property are prohibited. Transactions intended to evade the prohibitions imposed in the Executive Order also are prohibited.

- ◆ Between September 11 and December 6, 2001, the U.S. blocked a total of 79 financial accounts within the U.S., pursuant to E.O. 13224. The accounts totaled \$33.7 million.
- ◆ Included in those actions was the November 7 blocking by the Department of the Treasury of the property and interests in property of several financial institutions and accounts -- primarily those of the “Al Barakaat” organization.
- ◆ Executive Order 13224 complements and builds upon other legal measures that impose sanctions on terrorists and their supporters. In particular, several terrorists designated under E.O. 13224, and subject to its sanctions, were previously designated in or pursuant to E.O. 12947, as amended.<sup>13</sup> (See the response to Paragraph 1.a in this report for further detail.)
- ◆ Blocked property, including blocked funds, that a U.S. person imports, exports, or attempts to import or export may be seized and forfeited by the U.S. Customs Service, as may any merchandise imported contrary to the sanctions.<sup>14</sup> Any conveyance or thing (e.g., a container) facilitating such importation may be seized and forfeited, and any person concerned in the unlawful activity is subject to a penalty equal to the value of the imported goods.<sup>15</sup> U.S. Customs also may seize and forfeit arms, munitions, or “other articles” exported, or attempted to be exported, in violation of law.

***1(d): What measures exist to prohibit the activities listed in this sub-paragraph?***

- ◆ President George W. Bush signed Executive Order (E.O.) 13224 on September 23 pursuant to his authority under the International Emergency Economic Powers Act (IEEPA). This Order allows for the blocking of property and interests in property of all persons designated pursuant to the Order. Such designations include terrorists, as well as those who provide support or services to, or associate with, persons with terrorism-related links. (See the response to Paragraph 1.a in this report for further detail on E.O. 13224 and other, related measures.)

<sup>13</sup> See, e.g., 31 Combined Federal Register (C.F.R.) Part 597

<sup>14</sup> 19 U.S.C. § 1595a

<sup>15</sup> See also 18 U.S.C. § 545 (civil forfeiture for articles imported contrary to law)

- ◆ The U.S. Customs Service has formed a financial anti-terrorism task force, known as Operation GREEN QUEST, to identify, disrupt, and dismantle the financial infrastructure of terrorist organizations. In November 2001, Operation GREEN QUEST -- composed of investigators and analysts from U.S. Customs, the Internal Revenue Service (IRS), the Federal Bureau of Investigation (FBI), and the Treasury Department's Office of Financial Assets Control (OFAC) -- coordinated five search warrants. Concurrently, several businesses had their activities and their bank accounts (\$1.3 million USD) blocked, i.e., frozen. Intelligence and investigation had indicated the businesses and accounts were paying fees to terrorist organizations. The funds were frozen based on Executive Order 13324 and routine judicial procedures were used to further the criminal prosecution of the individuals and businesses involved.

## UNSCR 1373 Operative Paragraph 2

***2(a): What legislation or other measures are in place to give effect to this sub-paragraph? In particular, what offences in your country prohibit (i) recruitment to terrorist groups and (ii) the supply of weapons to terrorists? What other measures help prevent such activities?***

### Recruitment

Conspiracy and other laws make it illegal to solicit a person to commit a terrorist act or other crime.<sup>16</sup> Recruiting for membership in a terrorist organization is grounds for denying a visa.<sup>17</sup> A foreign national who enters the United States and is later found in violation of these prohibitions is subject to deportation.

### Weapons

- ◆ U.S. law contains criminal prohibitions on the acquisition, transfer and exportation of certain firearms.<sup>18</sup> Numerous state and local laws also apply.
- ◆ The U.S. Government also requires licenses for the export of defense articles (which includes technical data) and defense services pursuant to the Arms Export Control Act (AECA),<sup>19</sup> which counters the illicit transfer of U.S.-origin defense items to any unauthorized person. Violations of the AECA or its implementing regulations can result in civil and criminal penalties.
- ◆ It is a crime under U.S. law to provide material support such as funding and weapons for a terrorist act or to an organization designated by the Secretary of State as a foreign terrorist organization.<sup>20</sup> It is also grounds for denying a visa or removing an individual from the U.S.<sup>21</sup>
- ◆ The U.S. government also applies controls to exports and re-exports of sensitive U.S.-origin dual-use items and nuclear-related items pursuant to the statutory authorities of the Department of Commerce and the Nuclear Regulatory Commission. The Department of the Treasury administers and enforces economic sanctions against designated terrorists and those determined to be linked to such terrorists. These sanctions prohibit any transactions or dealings in property or interests in property of terrorism-related entities or individuals, including the exportation or re-exportation of any goods or technology either from the U.S. or by U.S. persons. Violations of these laws or their implementing regulations can result in civil or criminal penalties.

### Other Measures

- ◆ The U.S. uses a full range of counterterrorism and counterintelligence techniques in preventing terrorist acts, including the use of human and technical sources; aggressive undercover operations; analysis of telephone and financial records; mail; and physical surveillance.
- ◆ The intelligence community also tracks terrorist organizations overseas, including attempts to recruit members, and the movement of weapons intended for terrorists and proposed sales to terrorist countries.
- ◆ The Customs Service (USCS) exchanges information with companies involved in the manufacture, sale, or export of: munitions or arms, explosive or sensitive materials, restricted communication technologies or equipment, or components of weapons of mass destruction. The USCS meets with

<sup>16</sup> 18 U.S.C. § 373 makes it a criminal offense to solicit a person to commit a violent crime.

<sup>17</sup> §212(a)(3)(B)(iv)(V) of the Immigration and Nationality Act (INA), 8 U.S.C. §1182

<sup>18</sup> Title 18 of the U.S.C. (Chapter 44 – Firearms) 18 U.S.C. §§ 921, et seq.

<sup>19</sup> 22 U.S.C. §2778 and the International Traffic in Arms Regulations (ITAR)

<sup>20</sup> 18 U.S.C. §§ 2339A, 2339B. Penalties for each violation can include criminal fines and imprisonment of up to fifteen years. As of December 4, 2001, 28 groups are designated as Foreign Terrorist Organizations.

<sup>21</sup> §212(a)(3)(B)(iv)(V) of the Immigration and Nationality Act (INA), 8 U.S.C. §1182

industry experts to obtain their assistance in controlling the export of U.S.-origin high technology and munitions items. This partnership between government and industry enhances national security and fosters effective export controls.

***2(b): What other steps are being taken to prevent the commission of terrorist acts, and in particular, what early warning mechanisms exist to allow exchange of information with other states?***

U.S. law enforcement and intelligence agencies have many active and aggressive information sharing programs to prevent terrorist acts. Congress has mandated expansion of international information sharing on immigration and law enforcement matters in support of worldwide anti-terrorism efforts. Many nations cooperate actively with the U.S. in fighting terrorism.

- ◆ Prior to September 11, the U.S. regularly exchanged information on terrorists and specific indications of threats in other states with their intelligence agencies. Since September 11, we have provided expanding streams of information regarding the responsibility for those terrorist attacks, and information about specific terrorist identities and activities through liaison channels. A principal objective is to share vital anti-terrorist information in as timely and effective a manner as possible.
- ◆ With some allied governments we share data through bilateral arrangements on known and suspected terrorists to prevent the issuance of visas and to strengthen border security. Expansion of this program is anticipated. We use this program to preclude visa issuance to terrorists, to warn embassies overseas about certain applicants, to alert intelligence and law enforcement agencies, and to enable immigration and customs officials at ports of entry to detect terrorists who may have obtained visas.
- ◆ The Immigration and Naturalization Service (INS) has law enforcement officers stationed abroad who conduct liaison with host government immigration, police and security services. INS also maintains a fulltime presence at INTERPOL, working actively with other federal agents in providing information to police agencies worldwide. INS also has bilateral information-sharing arrangements with certain of its counterpart immigration services.
- ◆ The Legal Attaché program of the Federal Bureau of Investigation (FBI) enables it to share information on a broad and timely basis. Direct lines of communication have been established between the U.S. and many countries to coordinate investigative resources worldwide.
- ◆ The private sector is included in the dissemination of information of possible terrorist threats, particularly in international financial and technology transfer matters related to terrorist activity.
- ◆ The FBI has established a Counterterrorism Division to further enhance the FBI's analysis, information-sharing, and investigative capabilities. The FBI is publicizing wanted terrorists through various programs including the Top Twenty Terrorist Program.
- ◆ The FBI has created an interagency Financial Investigation Group to examine the financial arrangements used to support the terrorist attacks. The FBI headquarters houses this group, which includes analysts and investigators from numerous federal agencies and federal prosecutors with backgrounds in investigating and prosecuting financial crimes.

***2(c): What legislation or procedures exist for denying safe haven to terrorists, such as laws for excluding or expelling the types of individuals referred to in this sub-paragraph?***

Our legislation contains provisions prohibiting admission of foreign nationals who have engaged in terrorist activity. It provides for removal of such persons if they are in the U.S. Also, foreign nationals who are closely associated with or who support terrorist activity can also be denied admission or removed in certain circumstances (e.g. foreign nationals who act as representatives of foreign terrorist organizations or of certain groups that publicly endorse acts of terrorism).

- ◆ For immigration purposes, the "terrorist activity" definition includes any unlawful act involving: hijacking; sabotage; detention under threat for the purpose of coercion (of a government or an individual); violent attack on an internationally protected person; assassination; the use of biological, chemical, or nuclear weapons; or the use of explosives, firearms, or any other weapon or dangerous device with the intent to cause harm to individuals or damage to property. The attempt or conspiracy to commit these acts is also included as "terrorist activity."
- ◆ The law defines "engage in terrorist activity" broadly to include committing, inciting, preparing or planning a terrorist activity; gathering target information; soliciting funds or resources for terrorist activity or a terrorist organization; soliciting an individual to engage in terrorist activity or to join a terrorist organization; and affording material support (e.g. a safe house, transportation, communications, funds, funds transfer), false documentation or identification, weapons, or training for the commission of terrorist activity to a person who has committed terrorist activity, or to a terrorist organization.
- ◆ The Department of State and the Immigration and Naturalization Service work together with other agencies to maintain a robust database of terrorists and terrorism supporters, to prevent them from receiving visas or gaining access to the U.S.
- ◆ There are additional terrorism-related grounds for denying admission to the U.S. Terrorists are ineligible, for example, for temporary protected status, and asylum and refugee status (see the response in this report to paragraph 3(f) below). There are also provisions in the U.S. Criminal Code, and the Immigration and Nationality Act, to prosecute those who harbor or smuggle alien terrorists, or who provide them with material support (including immigration or other identity documents). In addition, foreign nationals who provide material assistance to, or solicit it for, certain designated terrorist organizations are inadmissible to the United States or may be deported if previously admitted. Thirty-nine Terrorist Exclusion List organizations were designated on December 5, 2001 for this purpose.
- ◆ As an example of relevant actions, U.S. immigration authorities have excluded from the U.S. foreign nationals based upon classified information relating to terrorist activity. Some of the cases involved attempted entry with fraudulent passports; others involved immigrants without a valid immigrant visa.

***2(d): What legislation or procedures exist to prevent terrorists acting from your territory against other states or citizens?***

Numerous laws address the threat of terrorists acting from U.S. territory against citizens or interests of other states. Terrorist financing and money laundering laws (see section on paragraph 1 above) are very useful in countering such situations as providing material support or resources. The provision, in the U.S., of material support to a foreign terrorist organization is a serious crime under U.S. law and allows us to take actions which also benefit the anti-terrorist efforts of our overseas partners in the fight against terrorism. Recently, the U.S. has damaged the overseas operations of Mujahadin E-Khalq, the

Provisional Irish Republican Army, Hizballah and other foreign terrorist organizations by criminally charging people in the U.S. with providing or attempting to provide material support or resources to those organizations. On December 4, 2001 we shut down a Texas-based fundraising operation whose activities benefited the terrorist activities of Hamas in the Middle East.

- ◆ It is a crime to provide, attempt, or conspire to provide within the U.S. material support or resources, or to conceal or disguise the nature, location, source or ownership of resources, knowing or intending that they are to be used in the commission or preparation of a wide variety of specified terrorist related crimes.<sup>22</sup> Material support or resources is very broadly defined and includes, for example, monetary instruments, financial services, lodging, training, documentation, communications, weapons, personnel, transportation, and other physical assets (except medicine or religious materials).
- ◆ It is a crime to knowingly provide or attempt or conspire to provide material support or resources to a designated foreign terrorist organization. Again, material support or resources is very broadly defined.<sup>23</sup> U.S. jurisdiction is extraterritorial and the statute specifically contemplates the movement of material support or resources from the U.S. to a foreign terrorist organization outside the U.S.
- ◆ Providing or collecting funds for the use of terrorists or terrorist organizations is also a violation of the law.<sup>24</sup> Transactions need not be entirely domestic, but rather can be, and in some cases must be, international to meet the elements of the violation.<sup>25</sup> (See the response to paragraph 1 in this report for details.)
- ◆ In addition to the substantial terms of incarceration and the criminal and civil fines imposed for the above violations, the code also authorizes the U.S. to seize and forfeit funds and other assets involved in violations of §§ 1956, 1957, 2339A, and 2339B and funds or assets in which terrorists or terrorist organizations have an interest.<sup>26</sup> The code also includes numerous crimes that may be charged against individuals who act from the U.S. against the citizens of another country or against the interests or facilities of another country, regardless of whether those citizens, facilities or interests are located within the U.S. or within that other country.<sup>27</sup>
- ◆ Also, the 50 states each have criminal codes that may enable them to punish people who conspire within their borders to commit serious, terrorist-related crimes beyond the borders of the U.S.

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<sup>22</sup> 18 U.S.C. § 2339A. Penalties for each violation can include criminal fines and incarceration of up to fifteen years.

<sup>23</sup> 18 U.S.C. § 2339B. Penalties for each violation can include criminal fines and incarceration of up to fifteen years.

<sup>24</sup> 18 U.S.C. §§ 1956 and 1957

<sup>25</sup> Penalties for each violation can include enhanced criminal fines and incarceration of up to twenty years.

Section 1957 makes it a crime to engage in a monetary transaction in property derived from specified unlawful activity, such as 18 U.S.C. §§ 2339A and/or 2339B. Transactions under § 1957 need not be entirely domestic, but can be, and in some cases must be, international to meet the elements of the violation. Penalties for each violation can include criminal fines and incarceration of up to ten years.

<sup>26</sup> 18 U.S.C. §§ 981 and 982

<sup>27</sup> For example, 18 U.S.C. § 956 makes it a crime to conspire to kill, maim, or injure persons or damage property in a foreign country; 18 U.S.C. § 2332b makes it a crime to engage in acts of terrorism transcending national boundaries; 18 U.S.C. § 2332a(b) makes it a crime for a national of the United States to use certain weapons of mass destruction outside the United States; 18 U.S.C. § 1116 the murder or manslaughter of foreign officials, official guests, or internationally protected persons a crime; 18 U.S.C. § 1119 makes a foreign murder of a U.S. national a crime; 18 U.S.C. § 32 makes it a crime to destroy aircraft or aircraft facilities within or outside the U.S.; and finally, 49 U.S.C. §§ 46502 - 46507 make it a crime to engage in aircraft piracy or carry a weapon or explosive on an aircraft.

***2(e): What steps have been taken to establish terrorist acts as serious criminal offences and to ensure that the punishment reflects the seriousness of such terrorist acts?***

Terrorist acts are among the most serious offenses under U.S. law. Violent, terrorist-related crimes generally carry substantially higher criminal penalties and can lead to imposition of the death penalty, or life imprisonment.<sup>28</sup>

- ◆ Earlier this year, after convicting four members of al-Qaida for the bombing of the U.S. embassies in Nairobi and Dar es Salaam, a federal jury in New York City recommended life imprisonment for all four.
- ◆ Depending on the defendant's acts, his criminal history, and his willingness to cooperate with authorities, there is a range of sentences from which the sentencing judge may select. In recent years, we have not imposed the death penalty in a federal international terrorism prosecution.
- ◆ Terrorist financing statutes carry substantial criminal fines and considerable periods of incarceration.<sup>29</sup> There is only one such case in which a sentence has been imposed. In that case, a U.S.-based individual was assisting immigrants (including at least one affiliated with a foreign terrorist organization) to fraudulently obtain enhanced immigration status. The defendant pled guilty and agreed to cooperate with federal authorities. This defendant received a sentence of two years of incarceration without any possibility of parole and three years of supervision.
- ◆ The money laundering statutes also carry considerable penalties.<sup>30</sup> U.S. Sentencing Guidelines provide for substantial enhancement of the prescribed period of incarceration in instances where terrorist activity is involved.

***2(f): What procedures and mechanisms are in place to assist other states?***

The U.S. provides assistance for criminal investigations or proceedings relating to terrorist acts through bilateral programs and as an active participant in multilateral programs.

- ◆ The U.S. provides training and technical assistance on money laundering and financial investigations to law enforcement, regulatory, and prosecutorial counterparts. The programs benefit anti-terrorist efforts by assisting other nations' anti-money laundering programs; assisting in creating financial intelligence units; and training financial investigators, bank regulators, and prosecutors to recognize and investigate suspicious transactions.
- ◆ The U.S. maintains mutual legal assistance treaties and agreements with over 45 countries, with more in negotiation or signed and awaiting Senate approval. They provide assistance in the investigation, prosecution, and suppression of criminal offenses, including those related to terrorism. For example, such treaties typically obligate the U.S. to provide foreign investigators and prosecutors with financial records, witness statements and testimony, and assistance in freezing and forfeiting criminally derived assets. Even in the absence of a treaty relationship, the U.S. may, under appropriate circumstances, provide a host of evidential assistance to foreign countries pursuant to our domestic law. The U.S. acts on hundreds of foreign requests for assistance in criminal matters every year.

<sup>28</sup> E.g. 18 U.S.C. § § 2332a and 2332b

<sup>29</sup> While the terrorist financing statutes at 18 U.S.C. §§ 2339A and 2339B each authorize imposition of a period of 15 years incarceration for each violation, under the Sentencing Guidelines, a multiple count conviction could result in a sentence of considerably more time than 15 years.

<sup>30</sup> The maximum period of incarceration for a single violation of 18 U.S.C. § 1956 is 20 years. The maximum period of incarceration for a single violation of 18 U.S.C. § 1957 is 10 years.

- ◆ We assist in training other countries' counterterrorism task forces. Training includes major case management, terrorist crime scene management, advanced kidnapping investigations, and financial underpinnings of terrorism. Also, we make personnel available for assistance on a case-by-case basis. Pertinent information is shared on a regular basis with law enforcement entities around the world.
- ◆ The U.S. also maintains overseas International Law Enforcement Academies. Their courses include segments on financial crime and money laundering.

***2(g): How do border controls in your country prevent the movement of terrorists? How do your procedures for issuance of identity papers and travel documents support this? What measures exist to prevent their forgery etc?***

- ◆ With few exceptions, all non-U.S. citizens entering the U.S. must have a valid visa or be exempted by holding a passport from one of 29 countries approved for visa waiver. Every visa applicant is subject to a name check through a database containing nearly six million records. At entry, everyone is subject to inspection. Inspectors are well trained to determine counterfeit and altered documents, and to detect evasive or untruthful responses. Every entering visitor is subject to checks in databases.
- ◆ A new, tamper-resistant visa will shortly replace the current visa. We are also working to improve the exchange of data among our agencies to ensure that anyone with a history of involvement with terrorism is quickly identified.
- ◆ Because of long common borders, movements to the U.S. from Canada and Mexico are difficult to control. Although cooperation with those governments is good, we are engaged in renewed discussions with both governments to improve border controls.
- ◆ American citizens must have a U.S. passport to enter the U.S. unless they have been traveling in North, Central or South America, in which case they may use other documents to verify their citizenship and identity. As we have no national identity card, the INS may rely on several other documents to establish identity and citizenship.
- ◆ Applicants for U.S. passports are required to prove their citizenship and identity. Those who fail to meet strict evidentiary requirements are not issued a passport. In addition, a vigorous fraud prevention program trains staff to identify attempts to use valid or falsified documents to obtain a passport in another identity. We can track how many passports one individual has received, and a system is being deployed to better track lost and stolen passports. The U.S. passport itself has recently been upgraded to prevent photographic substitution, the major form of alteration, and to make counterfeiting of the document very difficult. Visas are not issued to known terrorists.
- ◆ The Immigration and Naturalization Service also maintains a very proficient Forensic Document Laboratory (FDL), which helps other immigration services to identify fraudulent documents and trends. It routinely prepares "Document Alerts" on new, revised, counterfeit, and altered U.S. and foreign documents. Such alerts have been the basis for both criminal and administrative actions taken against individuals presenting counterfeit or altered documents. The FDL also works very actively to ensure that security marks and checks are embedded in travel and immigration documents, to minimize counterfeiting or alteration.
- ◆ The U.S. Border Patrol detects and prevents the smuggling and illegal entry of foreign nationals, primarily between the Ports of Entry. Agents perform their duties along, and in the vicinity of, the 8,000 land and 2,000 coastal miles of U.S. boundaries. In all its enforcement activities, the Border Patrol coordinates with counterterrorism efforts.
- ◆ In aviation security, the Federal Aviation Administration has issued a series of security advisories to U.S. and foreign air carriers to enhance passenger and baggage screening requirements, to establish

stricter controls on general aviation and tighten the rules on belly cargo in passenger planes. These measures, along with hardening cockpit doors, have upgraded the security of flights to, from and within the U.S.

- ◆ Threat assessments by U.S. agencies are continuous and the FAA passes information about terrorists or suspected *mala fide* passengers on a real time basis to airlines. Passengers are subject to multiple checks of their identity and bona fides from the time they apply for a visa to the point that they enter the U.S. If derogatory information is developed after the visa is issued, there are points at which the suspect can be apprehended and turned over to law enforcement services. In addition, the U.S. requires the advance transmission of passenger (and crew) manifests from all U.S.-bound flights. To help ensure that cockpit crews operating to the U.S. are not compromised by terrorist elements, the FAA has instituted additional requirements for background checks on pilots, co-pilots, and flight engineers.
- ◆ U.S. aviation security experts participate fully in the work of the International Civil Aviation Organization (ICAO) to strengthen the security annex (#17) to the Chicago Convention. Many recommended practices in the current annex are expected to be elevated to mandatory standards.
- ◆ The U.S. is an active participant in the ICAO Working Group on Machine-Readable Travel Documents, which has been working for more than a decade to establish international standards for passports, other travel documents, visas, and identity cards. Current U.S. travel documents and visas conform to the standards developed by this group and adopted by ICAO. Many countries have also improved their documents so they are more reliable.

### UNSCR 1373 Operative Paragraph 3

***3(a): What steps have been taken to intensify and accelerate the exchange of operational information in the areas indicated in this sub-paragraph?***

The U.S. is making extensive efforts to accelerate the exchange of operational information in these areas with other states. Through a series of bilateral meetings and multinational conferences since September 11, senior officials have discussed the need for faster sharing of information.

- ◆ Multilaterally we have particularly worked with the Financial Action Task Force, the Egmont and Lyon Groups, the Group of 7 and Group of 20, the IMF and other international financial institutions and the Group of Eight (G-8) counter terrorism dialogue (including the Counterterrorism Experts Group).
- ◆ We have also worked with regional organizations such as the Organization of American States, the Organization of African Unity, the Association of South East Asian Nations, the European Union, the Council of Europe the Asia Pacific Economic Cooperation forum, the Manila Framework Group and the Organization for Security and Cooperation in Europe.

#### Exchanging Operational Information

- ◆ Since September 11, contacts between U.S. law enforcement officials and prosecutors and foreign officials have intensified. Legal Attaches overseas and foreign police authorities regularly share criminal intelligence. Operational information is also exchanged between U.S. and foreign prosecutors. Such exchanges are facilitated through designated “central authorities” under each of the U.S. Mutual Legal Assistance Treaties (MLATs). U.S. authorities and international organizations, such as INTERPOL, share operational information on the detection of fraudulent documents and alerts on terrorist suspects.

#### Exchanging Information on Arms, Explosives and Weapons of Mass Destruction

- ◆ The U.S. works with other nations to exchange operational information on terrorists, arms trafficking, explosives or sensitive materials, and weapons of mass destruction threats.
- ◆ We participate in multilateral export control regimes and encourage information sharing on weapons and associated technology that may be diverted to terrorists.
- ◆ Wassenaar Arrangement members recently agreed that preventing terrorist access to conventional weapons and associated dual-use items is an important new focus. We continue to take the lead in stressing the value of data exchanges on small arms/light weapons between OSCE and Wassenaar Arrangement countries.
- ◆ The U.S. National Tracing Center assists other nations to trace U.S.-origin weapons used in terrorist or criminal activities. Our assistance program for weapons stockpile management and security and destruction of surplus weapons is further sharing of information, focusing on countries with a high risk of illicit arms transfers, to keep these weapons from terrorists.
- ◆ The U.S. also exchanges information through bilateral, regional and multilateral initiatives to eliminate opportunities for terrorists to acquire weapons of mass destruction (WMD). Over 30 countries have cooperated with us to make counterterrorism an important new focus of the Australia Group (chemical/biological nonproliferation regime).
- ◆ The work of other regimes -- the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Zangger Committee -- also is relevant to keeping sensitive technologies out of terrorists’ hands.

- ◆ The U.S. works with the International Atomic Energy Agency and other organizations to increase the exchange of information aimed at strengthening controls over WMD-related materials and technologies. This has included export control dialogues, such as the Central Asian State Export Control and Border Security Program.
- ◆ The G-8 Nonproliferation Experts Group (NPEG) develops action plans to strengthen international instruments to prevent WMD proliferation, protect sensitive materials and facilities, encourage wider adherence to the principles of international export control arrangements, reinforce and better coordinate assistance programs, and enhance information exchange on illicit trafficking of sensitive materials, technology and expertise.
- ◆ The U.S. is also a key participant in the G-7 Nuclear Safety Working Group (NSWG), which works to strengthen controls on radiological sources.

#### Technology Transfer and Skills Training

- ◆ The U.S. uses other programs to enhance exchanges of information among law enforcement agencies. These include the Terrorist Interdiction Program (TIP), which provides information and training to identify terrorist suspects seeking to cross borders, and the Antiterrorism Assistance program, which provides assistance for border patrol and airport security. The U.S. is also helping INTERPOL to modernize equipment for faster transmission of fingerprints and other graphics to TIP participants.

#### Customs Information and Enforcement

- ◆ Under U.S. law, air carriers must provide advance passenger information to U.S. Customs by electronic transmission and prior to arrival in the United States. With this information, law enforcement agencies should be able to screen passengers to obtain information about the movement of suspected terrorists while reducing delays for other passengers entering the United States.
- ◆ U.S. Customs maintains mutual assistance agreements with other countries' customs agencies, which allow the sharing of information during an investigation on the movements of people and cargo across borders.

#### ***3(b): What steps have been taken to exchange information and cooperate in the areas indicated in this sub-paragraph?***

The U.S. has stepped up information exchanges through law enforcement and intelligence channels to prevent terrorist acts.

- ◆ We have mutual legal assistance treaties and agreements (see section 2 above for details). These provide for the exchange of information and evidence in investigating and prosecuting criminal offenses, and for the suppression or prevention of such offenses. Law enforcement cooperation to prevent terrorist acts has been enhanced by the broadened use of the U.S. Joint Terrorism Task Force domestically and the Legal Attaché Program internationally.
- ◆ Our intelligence and national security organizations have active programs to detect, preempt, disrupt, and defeat international terrorism. Many nations cooperate with us in fighting terrorism through information exchanges.

**3(c): What steps have been taken to exchange information and cooperate in the areas indicated in this sub-paragraph?**

- ◆ We have in place an extensive series of bilateral and multilateral agreements, such as MLATs (see above) for cooperation in preventing terrorist attacks and investigating and prosecuting perpetrators.
- ◆ In addition, the U.S. is party to ten of the twelve international conventions and protocols relating to terrorism, and expects to ratify the two most recent conventions (Terrorist Bombings and Terrorism Financing) in the near future. U.S. law enforcement authorities continue to cooperate with their counterparts in various countries around the world on the prevention of terrorist attacks and the investigation and prosecution of those who commit such acts, pursuant to the relevant agreements and other arrangements.
- ◆ The U.S. has prosecuted and convicted domestic and international terrorists in dozens of cases. Specifically the U.S. has prosecuted cases under U.S. laws implementing the Montreal Convention (Aircraft Sabotage),<sup>31</sup> the Hague Convention (Hijacking),<sup>32</sup> the Hostages Convention,<sup>33</sup> and the Internationally Protected Persons Convention.<sup>34</sup>

**3(d): What are your government's intentions regarding signing and/or ratifying the conventions and protocols referred to in this sub-paragraph?**

The U.S. is party to ten of the twelve relevant international conventions and protocols relating to terrorism, and expects to ratify the two most recent conventions (Terrorist Bombings and Terrorism Financing) in the near future.

**3(e): Provide any relevant information on the implementation of the conventions, protocols and resolutions referred to in this sub-paragraph?**

The U.S. is a party to ten of the twelve conventions and protocols relating to terrorism. Legislation has been enacted to fully implement:

- The Convention on Offences and Certain Other Acts Committed On Board Aircraft, 1963 ("Tokyo Convention")<sup>35</sup>

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<sup>31</sup> U.S. v. Yousef, 1999 WL 714103 (S.D.N.Y. 1999) (defendant convicted of conspiring to bomb U.S. passenger airlines in violation of 18 U.S.C. § 32, the implementing statute of the Montreal Convention) [For list of charges, see U.S. v. Yousef, 925 F. Supp. 1063 (S.D.N.Y. 1996)].

Cf., U.S. v. Rashed, 234 F.3d 1280 (D.C. Cir. 2000)

<sup>32</sup> U.S. v. Rezaq, 134 F.3d 1121 (D.C. Cir. 1998) (affirming defendant's conviction for aircraft piracy in violation of 49 U.S.C. § 46501, the implementing statute of the Hague Convention).

Cf., U.S. v. Mena, 933 F.2d 19 (1<sup>st</sup> Cir. 1991); U.S. v. Pablo-Lugones, 725 F.2d 624 (11<sup>th</sup> Cir. 1984)

<sup>33</sup> U.S. v. Lue, 134 F.3d 79 (2d Cir. 1998) (affirming hostage-taking conviction/plea under 18 U.S.C. § 1203, the implementing legislation for the Hostages Convention). Cf., U.S. v. Lin, 101 F.3d 760 (D.C. Cir. 1996); U.S. v. Lopez-Flores, 63 F.3d 1468 (9<sup>th</sup> Cir. 1995); U.S. v. Carrion-Caliz, 944 F.2d 220 (5<sup>th</sup> Cir. 1991)

<sup>34</sup> U.S. v. Omar Ahmad Ali Abdel Rahman, et al., S.D.N.Y. (prosecution against ten defendants for conspiracy to bomb the U.N. and other public buildings and facilities and military installations, as well as conspiracy to murder Egyptian President Hosni Mubarak, the latter offense in violation of 18 U.S.C. §§ 1116 and 1117, the implementing statutes for the Internationally Protected Persons Convention; all defendants convicted on all counts; unreported trial court decision; post-trial decision, affirmed in part, remanded in part, 189 F.3d 88 (2d Cir. 1999), cert. denied, 528 U.S. 1094 (2000). Cf., U.S. v. Usama Bin Laden, et al., S.D.N.Y., no reported post-trial decision or appeal; U.S. v. Shirosaki, unreported case, D.D.C. 1998, affirmed without opinion, 194 F.3d 175 (D.C. Cir. 1999), cert. denied, 528 U.S. 1081 (2000)

<sup>35</sup> 49 U.S.C. §§ 46501, 06

- The Convention for the Suppression of the Unlawful Seizure of Aircraft, 1970 (“Hague Convention”)<sup>36</sup>
  - The Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, 1971 (“Montreal Convention”)<sup>37</sup>
  - The Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, 1973<sup>38</sup>
  - The International Convention Against the Taking of Hostages, 1979 (“Hostages Convention”)<sup>39</sup>
  - The Convention on the Physical Protection of Nuclear Material, 1980<sup>40</sup>
  - The Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, 1988, Supplementary to the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation<sup>41</sup>
  - The Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation, 1988<sup>42</sup>
  - The Protocol for the Suppression of Unlawful Acts Against the Safety of Fixed Platforms Located on the Continental Shelf, 1988<sup>43</sup>
  - The Convention on the Marking of Plastic Explosives for the Purpose of Detection, 1991<sup>44</sup>
- ◆ In addition, the U.S. has signed and expects to ratify in the near future the International Convention for the Suppression of Terrorist Bombings and the International Convention for the Suppression of the Financing of Terrorism. Implementing legislation for both has been submitted to the Congress.
  - ◆ The U.S. has implemented Security Council resolutions 1269 and 1368 by working to become a party to all twelve of the conventions and protocols relating to terrorism, by fully implementing those agreements to which it is a party, and by establishing and implementing the measures discussed elsewhere in this submission.

***3(f): What legislation, procedures and mechanisms are in place for ensuring asylum seekers have not been involved in terrorist activity before granting refugee status?***

- ◆ The U.S. has several measures to ensure that asylum seekers have not been involved in terrorist activity before it grants them refugee status. A directive issued by President Bush on October 29, 2001 creates a Foreign Terrorist Tracking Task Force strengthening existing procedures. The Task Force will coordinate U.S. programs to: (1) deny entry of foreign nationals associated with, suspected of being engaged in or supporting terrorist activity; and (2) locate, detain, prosecute, or deport such foreign nationals in the U.S.
- ◆ The U.S. grants refugee status in two different forms: a) individuals applying from abroad may be admitted as refugees; b) refugees in the U.S. may be granted asylum. To be eligible for either status, an applicant must establish that he or she is unable or unwilling to return home because of past persecution or well-founded fear of future persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.

<sup>36</sup> 49 U.S.C. § 46501-02

<sup>37</sup> 18 U.S.C. § 31-32, 49 U.S.C. § 46501

<sup>38</sup> 18 U.S.C. §§ 112, 878, 1116 & 1201(e)

<sup>39</sup> 18 U.S.C. § 1203

<sup>40</sup> 18 U.S.C. § 831

<sup>41</sup> 18 U.S.C. § 37

<sup>42</sup> 18 U.S.C. § 2280

<sup>43</sup> 18 U.S.C. § 2281

<sup>44</sup> 18 U.S.C. §§ 841(o)-(p), 842(l)-(o), 844 (a)(1) & 845(c), 19 U.S.C. § 1595a, 18 U.S.C.

§ 842(m)-(o)

- ◆ The U.S. is a party to the 1967 Protocol Relating to the Status of Refugees, through which it undertook obligations found in the 1951 Convention Relating to the Status of Refugees. U.S. law contains several provisions that, together, implement the grounds for exclusion of refugee status found in the 1951 Convention including denial of refugee status to those involved in terrorist activity.
- ◆ Under U.S. law, those who apply for refugee status from outside the country are generally subject to the same grounds of inadmissibility as other applicants and cannot be granted refugee status if those grounds apply. Under the law, foreign nationals who engage in terrorist activity are inadmissible (see Section 2(c) above). This provision is enforced in the overseas refugee program through a screening process that relies on applicant interviews by U.S. immigration officials, checks of appropriate information databases, and security referral procedures to review and investigate cases. Experts provide consultative guidance on questionnaires, biometrics and other security mechanisms to immigration officials who adjudicate refugee protection claims.
- ◆ Slightly different safeguards apply in the domestic program. The law excludes from asylum any person who has engaged or may engage in terrorist activity, who incites terrorist activity, or who is a knowing member of a terrorist organization. Representatives of a terrorist organization, or of certain groups whose endorsement of terrorism undermines U.S. counterterrorism efforts, are also barred from asylum. An individual may also be excluded from asylum if there are good reasons for regarding the individual as a danger to the security of the U.S., or for believing that the individual has committed a serious non-political crime. U.S. law interpreting the serious non-political crime provisions make clear that, even if the crime involves political motivations, it is considered non-political if it is grossly out of proportion to the political objective, or if it involves acts of an atrocious nature. These provisions are enforced by screening procedures relying on fingerprint and identity checks and on databases that have information on criminal and terrorist activity.

***3(g): What procedures are in place to prevent the abuse of refugee status by terrorists? Please provide details of legislation and/or administrative procedures which prevent claims of political motivation being recognized as grounds for refusing requests for the extradition of alleged terrorists.***

- ◆ Once refugee or asylum status has been granted, U.S. law prohibits the abuse of such status by terrorists. The Foreign Terrorist Tracking Task Force created by Presidential Directive in October 2001 (see 3(f) above) coordinates programs to locate, detain, prosecute, or deport foreign nationals in the U.S. who are suspected of being engaged in or supporting terrorist activity.
- ◆ Persons admitted from abroad as refugees are subject to removal from the U.S. if they have engaged, or are engaged, in any terrorist activity, notwithstanding their refugee status. Also, in every case, a refugee is required to submit to inspection by INS at the end of one year. An immigration official examines the refugee to determine whether any grounds of inadmissibility apply and may deny the refugee permanent resident status on terrorism grounds.
- ◆ Similar safeguards ensure terrorists do not abuse asylum. Asylum can be terminated if it is determined that the asylee is subject to any of the bars to asylum, which include specific provisions excluding terrorists, as well as provisions excluding those who have committed serious nonpolitical crimes and those who can reasonably be regarded as a danger to the security of the U.S.
- ◆ Many modern U.S. extradition treaties provide that the political offense exception to extradition is not available for certain criminal offenses associated with terrorism, e.g. murder or other willful crimes against a head of state or family member and terrorist offenses specified in multilateral international agreements. These treaty provisions are U.S. law and have been applied in a number of cases.

- ◆ The U.S. also has signed and expects to ratify in the near future two multilateral terrorism conventions, those relating to Terrorist Bombings and Terrorist Financing, which have the effect of limiting the political offense exception to extradition.
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## Security Council

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**Letter dated 31 January 2006 from the Chairman of  
the Security Council Committee established pursuant  
to resolution 1373 (2001) concerning counter-terrorism  
addressed to the President of the Security Council**

The Counter-Terrorism Committee has received the attached fourth report from the United States of America submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

*(Signed)* Ellen Margrethe Løj  
Chairman

Security Council Committee established pursuant to  
resolution 1373 (2001) concerning counter-terrorism

**Annex**

**Letter dated 26 January 2006 from the Permanent Representative of the United States of America to the United Nations addressed to the Chairman of the Counter-Terrorism Committee**

I am pleased to respond to your letter, dated 21 October 2005, on behalf of the Counter-Terrorism Committee. That letter asked the United States to follow up its third report to the Committee, dated 1 April 2004. Enclosed please find the fourth report of the United States to the Counter-Terrorism Committee (see enclosure).

The United States looks forward to continued cooperation with the Committee.

*(Signed)* John R. **Bolton**  
Permanent Representative

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**Enclosure****Response of the United States to the Counter-Terrorism Committee,  
26 January 2006****Security Council Resolution 1373 (2001)****Question 1.2**

**The Committee notes the extensive measures applicable to persons and organizations which provide support to designated “foreign terrorist organizations” under United States law, including the application of criminal sanctions and the freezing of assets. Does the United States have any plans to broaden the concept used in its domestic law to include all terrorist organizations, regardless of their country of origin and of where their terrorist intentions are directed?**

An entity's being designated as a “Foreign Terrorist Organization” (FTO) under Section 219 of the Immigration and Nationality Act (INA) results in significant legal ramifications:

1. It is unlawful for a person in the United States or subject to the jurisdiction of the United States to knowingly provide “material support or resources” to a designated FTO. (The term “material support or resources” is defined in 18 U.S.C. § 2339A(b)(1) as “any property, tangible or intangible, or service, including currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel (1 or more individuals who may be or include oneself), and transportation, except medicine or religious materials.” 18 U.S.C. § 2339A(b)(2) provides that for these purposes “the term ‘training’ means instruction or teaching designed to impart a specific skill, as opposed to general knowledge.” 18 U.S.C. § 2339A(b)(3) further provides that for these purposes the term ‘expert advice or assistance’ means “advice or assistance derived from scientific, technical or other specialized knowledge.”)
2. Representatives and members of a designated FTO, if they are aliens, are inadmissible to and, in certain circumstances, removable from the United States (see 8 U.S.C. §§ 1182 (a)(3)(B)(i)(IV)-(V), 1227 (a)(1)(A)).

3. Any U.S. financial institution that becomes aware that it has possession of or control over funds in which a designated FTO or its agent has an interest must retain possession of or control over the funds and report the funds to the Office of Foreign Assets Control of the U.S. Department of the Treasury. Because of these significant ramifications and the extensive detailed evidence needed to support the administrative record demonstrating that the statutory criteria for designation have been satisfied, the United States must prioritize its designations of Foreign Terrorist Organizations and use its resources to target the most significant groups.

Country of origin is only one factor that the USG takes into account in determining whether an organization is considered “foreign” for the purposes of designation. Other important considerations include the location of the group’s activities, leadership, and sources of material support. Similarly, a group can be designated as a Foreign Terrorist Organization if its activities threaten the security of U.S. nationals or the national security (national defense, foreign relations, or the economic interests) of the United States, regardless of where its terrorist intentions are directed.

The United States does not intend to expand the INA to allow for designation of domestic organizations. Currently, however, all organizations designated as Foreign Terrorist Organizations under the INA are also designated under Executive Order (EO) 13224. EO 13224 applies to all persons (whether foreign or domestic) determined (i) to be owned or controlled by, (ii) to act for or on behalf of, or (iii) to assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of, either (a) acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy or economy of the United States, or (b) any person previously designated under the EO.

Economic sanctions imposed upon entities designated pursuant to EO 13224 are broader than those imposed on entities designated solely under the INA. Designation pursuant to EO 13224 subjects all property – not just the financial assets – of designated persons to blocking measures, and U.S. persons are prohibited from transacting or dealing with designated persons. The International Emergency Economic Powers Act, pursuant to which EO 13224 was issued, also provides for both civil and criminal penalties for its violation (i.e., transacting with designated persons). Willful violations are subject to criminal penalties of up to ten years’ imprisonment and a fine. Taken together, the INA and EO 13224 comprise a comprehensive regime providing for

criminal prosecution and economic sanctions against terrorists and their supporters, both foreign and domestic.

### **Question 1.3**

**The Committee notes the United States' explanation that organizations which target other States would be likely to 'easily meet the threshold level of threat' to its own security and thus to be classified as a "foreign terrorist organization" under Executive Order 13224 or EO 12947 (second report page 8). Has any such group been so classified to date?**

The United States has designated several such groups, including Armed Islamic Group (GIA), Asbat al-Ansar, Aum Shinrikyo, Basque Fatherland and Liberty (ETA), Continuity Irish Republican Army, HAMAS (Islamic Resistance Movement), Harakat ul-Mujahidin (HUM), Kahane Chai (Kach), Kongra-Gel (KGK, formerly Kurdistan Workers' Party, PKK, KADEK), Lashkar-e Tayyiba (LT) (Army of the Righteous), Liberation Tigers of Tamil Eelam (LTTE), National Liberation Army (ELN), Palestinian Islamic Jihad (PIJ), Popular Front for the Liberation of Palestine (PFLP), PFLP-General Command (PFLP-GC), Real IRA, Salafist Group for Call and Combat (GSPC), Shining Path (Sendero Luminoso, SL), and the United Self-Defense Forces of Colombia (AUC).

### **Question 1.4**

**The Committee notes the categories of institutions required to report under the Banking Secrecy Act and associated Federal regulations and the expanded nature of these categories pursuant to the issued Final rules as listed in the website of the Financial Crimes Enforcement Network of the United States Department of the Treasury ([www.fincen.gov/reg\\_bsaregulations.html](http://www.fincen.gov/reg_bsaregulations.html)). How many suspicious transaction reports (STRs) are generated annually? What has been the outcome of investigations into these STRs? Have any prosecutions been initiated as a result of these investigations?**

In the United States, a Suspicious Activity Report or SAR form is used to track suspicious transactions and activities. According to the latest information available, 507,217 SARs were reported to the U.S. Treasury Department's Financial Crimes

107TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
2d Session } { 107-779

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## TERRORISM RISK PROTECTION ACT

NOVEMBER 13, 2002.—Ordered to be printed

Mr. OXLEY, from the committee of conference,  
submitted the following

### CONFERENCE REPORT

[To accompany H.R. 3210]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3210), to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

#### **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) *SHORT TITLE.*—This Act may be cited as the “Terrorism Risk Insurance Act of 2002”.

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

*Sec. 1. Short title; table of contents.*

#### **TITLE I—TERRORISM INSURANCE PROGRAM**

*Sec. 101. Congressional findings and purpose.*

*Sec. 102. Definitions.*

*Sec. 103. Terrorism Insurance Program.*

*Sec. 104. General authority and administration of claims.*

*Sec. 105. Preemption and nullification of pre-existing terrorism exclusions.*

*Sec. 106. Preservation provisions.*

*Sec. 107. Litigation management.*

*Sec. 108. Termination of Program.*

#### **TITLE II—TREATMENT OF TERRORIST ASSETS**

*Sec. 201. Satisfaction of judgments from blocked assets of terrorists, terrorist organizations, and State sponsors of terrorism.*

## TITLE III—FEDERAL RESERVE BOARD PROVISIONS

Sec. 301. *Certain authority of the Board of Governors of the Federal Reserve System.*

## **TITLE I—TERRORISM INSURANCE PROGRAM**

### **SEC. 101. CONGRESSIONAL FINDINGS AND PURPOSE.**

(a) *FINDINGS.*—*The Congress finds that—*

(1) *the ability of businesses and individuals to obtain property and casualty insurance at reasonable and predictable prices, in order to spread the risk of both routine and catastrophic loss, is critical to economic growth, urban development, and the construction and maintenance of public and private housing, as well as to the promotion of United States exports and foreign trade in an increasingly interconnected world;*

(2) *property and casualty insurance firms are important financial institutions, the products of which allow mutualization of risk and the efficient use of financial resources and enhance the ability of the economy to maintain stability, while responding to a variety of economic, political, environmental, and other risks with a minimum of disruption;*

(3) *the ability of the insurance industry to cover the unprecedented financial risks presented by potential acts of terrorism in the United States can be a major factor in the recovery from terrorist attacks, while maintaining the stability of the economy;*

(4) *widespread financial market uncertainties have arisen following the terrorist attacks of September 11, 2001, including the absence of information from which financial institutions can make statistically valid estimates of the probability and cost of future terrorist events, and therefore the size, funding, and allocation of the risk of loss caused by such acts of terrorism;*

(5) *a decision by property and casualty insurers to deal with such uncertainties, either by terminating property and casualty coverage for losses arising from terrorist events, or by radically escalating premium coverage to compensate for risks of loss that are not readily predictable, could seriously hamper ongoing and planned construction, property acquisition, and other business projects, generate a dramatic increase in rents, and otherwise suppress economic activity; and*

(6) *the United States Government should provide temporary financial compensation to insured parties, contributing to the stabilization of the United States economy in a time of national crisis, while the financial services industry develops the systems, mechanisms, products, and programs necessary to create a viable financial services market for private terrorism risk insurance.*

(b) *PURPOSE.*—*The purpose of this title is to establish a temporary Federal program that provides for a transparent system of shared public and private compensation for insured losses resulting from acts of terrorism, in order to—*

(1) *protect consumers by addressing market disruptions and ensure the continued widespread availability and afford-*

ability of property and casualty insurance for terrorism risk; and

(2) allow for a transitional period for the private markets to stabilize, resume pricing of such insurance, and build capacity to absorb any future losses, while preserving State insurance regulation and consumer protections.

**SEC. 102. DEFINITIONS.**

In this title, the following definitions shall apply:

(1) **ACT OF TERRORISM.**—

(A) **CERTIFICATION.**—The term “act of terrorism” means any act that is certified by the Secretary, in concurrence with the Secretary of State, and the Attorney General of the United States—

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous

to—

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of—

(I) an air carrier or vessel described in paragraph (5)(B); or

(II) the premises of a United States mission;

and

(iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

(B) **LIMITATION.**—No act shall be certified by the Secretary as an act of terrorism if—

(i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers’ compensation; or

(ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

(C) **DETERMINATIONS FINAL.**—Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.

(D) **NONDELEGATION.**—The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

(2) **AFFILIATE.**—The term “affiliate” means, with respect to an insurer, any entity that controls, is controlled by, or is under common control with the insurer.

(3) **CONTROL.**—An entity has “control” over another entity, if—

(A) the entity directly or indirectly or acting through 1 or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other entity;

(B) the entity controls in any manner the election of a majority of the directors or trustees of the other entity; or

(C) the Secretary determines, after notice and opportunity for hearing, that the entity directly or indirectly exercises a controlling influence over the management or policies of the other entity.

(4) **DIRECT EARNED PREMIUM.**—The term “direct earned premium” means a direct earned premium for property and casualty insurance issued by any insurer for insurance against losses occurring at the locations described in subparagraphs (A) and (B) of paragraph (5).

(5) **INSURED LOSS.**—The term “insured loss” means any loss resulting from an act of terrorism (including an act of war, in the case of workers’ compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss—

(A) occurs within the United States; or

(B) occurs to an air carrier (as defined in section 40102 of title 49, United States Code), to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission.

(6) **INSURER.**—The term “insurer” means any entity, including any affiliate thereof—

(A) that is—

(i) licensed or admitted to engage in the business of providing primary or excess insurance in any State;

(ii) not licensed or admitted as described in clause (i), if it is an eligible surplus line carrier listed on the Quarterly Listing of Alien Insurers of the NAIC, or any successor thereto;

(iii) approved for the purpose of offering property and casualty insurance by a Federal agency in connection with maritime, energy, or aviation activity;

(iv) a State residual market insurance entity or State workers’ compensation fund; or

(v) any other entity described in section 103(f), to the extent provided in the rules of the Secretary issued under section 103(f);

(B) that receives direct earned premiums for any type of commercial property and casualty insurance coverage, other than in the case of entities described in sections 103(d) and 103(f); and

(C) that meets any other criteria that the Secretary may reasonably prescribe.

(7) **INSURER DEDUCTIBLE.**—The term “insurer deductible” means—

(A) for the Transition Period, the value of an insurer’s direct earned premiums over the calendar year immediately

preceding the date of enactment of this Act, multiplied by 1 percent;

(B) for Program Year 1, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 1, multiplied by 7 percent;

(C) for Program Year 2, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 2, multiplied by 10 percent;

(D) for Program Year 3, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 3, multiplied by 15 percent; and

(E) notwithstanding subparagraphs (A) through (D), for the Transition Period, Program Year 1, Program Year 2, or Program Year 3, if an insurer has not had a full year of operations during the calendar year immediately preceding such Period or Program Year, such portion of the direct earned premiums of the insurer as the Secretary determines appropriate, subject to appropriate methodologies established by the Secretary for measuring such direct earned premiums.

(8) NAIC.—The term “NAIC” means the National Association of Insurance Commissioners.

(9) PERSON.—The term “person” means any individual, business or nonprofit entity (including those organized in the form of a partnership, limited liability company, corporation, or association), trust or estate, or a State or political subdivision of a State or other governmental unit.

(10) PROGRAM.—The term “Program” means the Terrorism Insurance Program established by this title.

(11) PROGRAM YEARS.—

(A) TRANSITION PERIOD.—The term “Transition Period” means the period beginning on the date of enactment of this Act and ending on December 31, 2002.

(B) PROGRAM YEAR 1.—The term “Program Year 1” means the period beginning on January 1, 2003 and ending on December 31, 2003.

(C) PROGRAM YEAR 2.—The term “Program Year 2” means the period beginning on January 1, 2004 and ending on December 31, 2004.

(D) PROGRAM YEAR 3.—The term “Program Year 3” means the period beginning on January 1, 2005 and ending on December 31, 2005.

(12) PROPERTY AND CASUALTY INSURANCE.—The term “property and casualty insurance”—

(A) means commercial lines of property and casualty insurance, including excess insurance, workers' compensation insurance, and surety insurance; and

(B) does not include—

(i) Federal crop insurance issued or reinsured under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), or any other type of crop or livestock insurance that is privately issued or reinsured;

(ii) private mortgage insurance (as that term is defined in section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901)) or title insurance;

- (iii) financial guaranty insurance issued by monoline financial guaranty insurance corporations;
- (iv) insurance for medical malpractice;
- (v) health or life insurance, including group life insurance;
- (vi) flood insurance provided under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.);
- or
- (vii) reinsurance or retrocessional reinsurance.

(13) **SECRETARY.**—The term “Secretary” means the Secretary of the Treasury.

(14) **STATE.**—The term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States.

(15) **UNITED STATES.**—The term “United States” means the several States, and includes the territorial sea and the continental shelf of the United States, as those terms are defined in the Violent Crime Control and Law Enforcement Act of 1994 (18 U.S.C. 2280, 2281).

(16) **RULE OF CONSTRUCTION FOR DATES.**—With respect to any reference to a date in this title, such day shall be construed—

- (A) to begin at 12:01 a.m. on that date; and
- (B) to end at midnight on that date.

**SEC. 103. TERRORISM INSURANCE PROGRAM.**

(a) **ESTABLISHMENT OF PROGRAM.**—

(1) **IN GENERAL.**—There is established in the Department of the Treasury the Terrorism Insurance Program.

(2) **AUTHORITY OF THE SECRETARY.**—Notwithstanding any other provision of State or Federal law, the Secretary shall administer the Program, and shall pay the Federal share of compensation for insured losses in accordance with subsection (e).

(3) **MANDATORY PARTICIPATION.**—Each entity that meets the definition of an insurer under this title shall participate in the Program.

(b) **CONDITIONS FOR FEDERAL PAYMENTS.**—No payment may be made by the Secretary under this section with respect to an insured loss that is covered by an insurer, unless—

(1) the person that suffers the insured loss, or a person acting on behalf of that person, files a claim with the insurer;

(2) the insurer provides clear and conspicuous disclosure to the policyholder of the premium charged for insured losses covered by the Program and the Federal share of compensation for insured losses under the Program—

(A) in the case of any policy that is issued before the date of enactment of this Act, not later than 90 days after that date of enactment;

(B) in the case of any policy that is issued within 90 days of the date of enactment of this Act, at the time of offer, purchase, and renewal of the policy; and

(C) in the case of any policy that is issued more than 90 days after the date of enactment of this Act, on a sepa-

rate line item in the policy, at the time of offer, purchase, and renewal of the policy;

(3) the insurer processes the claim for the insured loss in accordance with appropriate business practices, and any reasonable procedures that the Secretary may prescribe; and

(4) the insurer submits to the Secretary, in accordance with such reasonable procedures as the Secretary may establish—

(A) a claim for payment of the Federal share of compensation for insured losses under the Program;

(B) written certification—

(i) of the underlying claim; and

(ii) of all payments made for insured losses; and

(C) certification of its compliance with the provisions of this subsection.

(c) **MANDATORY AVAILABILITY.**—

(1) **INITIAL PROGRAM PERIODS.**—During the period beginning on the first day of the Transition Period and ending on the last day of Program Year 2, each entity that meets the definition of an insurer under section 102—

(A) shall make available, in all of its property and casualty insurance policies, coverage for insured losses; and

(B) shall make available property and casualty insurance coverage for insured losses that does not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism.

(2) **PROGRAM YEAR 3.**—Not later than September 1, 2004, the Secretary shall, based on the factors referred to in section 108(d)(1), determine whether the provisions of subparagraphs (A) and (B) of paragraph (1) should be extended through Program Year 3.

(d) **STATE RESIDUAL MARKET INSURANCE ENTITIES.**—

(1) **IN GENERAL.**—The Secretary shall issue regulations, as soon as practicable after the date of enactment of this Act, that apply the provisions of this title to State residual market insurance entities and State workers' compensation funds.

(2) **TREATMENT OF CERTAIN ENTITIES.**—For purposes of the regulations issued pursuant to paragraph (1)—

(A) a State residual market insurance entity that does not share its profits and losses with private sector insurers shall be treated as a separate insurer; and

(B) a State residual market insurance entity that shares its profits and losses with private sector insurers shall not be treated as a separate insurer, and shall report to each private sector insurance participant its share of the insured losses of the entity, which shall be included in each private sector insurer's insured losses.

(3) **TREATMENT OF PARTICIPATION IN CERTAIN ENTITIES.**—Any insurer that participates in sharing profits and losses of a State residual market insurance entity shall include in its calculations of premiums any premiums distributed to the insurer by the State residual market insurance entity.

(e) **INSURED LOSS SHARED COMPENSATION.**—

(1) **FEDERAL SHARE.**—

(A) *IN GENERAL.*—The Federal share of compensation under the Program to be paid by the Secretary for insured losses of an insurer during the Transition Period and each Program Year shall be equal to 90 percent of that portion of the amount of such insured losses that exceeds the applicable insurer deductible required to be paid during such Transition Period or such Program Year.

(B) *PROHIBITION ON DUPLICATIVE COMPENSATION.*—The Federal share of compensation for insured losses under the Program shall be reduced by the amount of compensation provided by the Federal Government to any person under any other Federal program for those insured losses.

(2) *CAP ON ANNUAL LIABILITY.*—

(A) *IN GENERAL.*—Notwithstanding paragraph (1) or any other provision of Federal or State law, if the aggregate insured losses exceed \$100,000,000,000, during the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, or during Program Year 2 or Program Year 3 (until such time as the Congress may act otherwise with respect to such losses)—

(i) the Secretary shall not make any payment under this title for any portion of the amount of such losses that exceeds \$100,000,000,000; and

(ii) no insurer that has met its insurer deductible shall be liable for the payment of any portion of that amount that exceeds \$100,000,000,000.

(B) *INSURER SHARE.*—For purposes of subparagraph (A), the Secretary shall determine the pro rata share of insured losses to be paid by each insurer that incurs insured losses under the Program.

(3) *NOTICE TO CONGRESS.*—The Secretary shall notify the Congress if estimated or actual aggregate insured losses exceed \$100,000,000,000 during the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, or during Program Year 2 or Program Year 3, and the Congress shall determine the procedures for and the source of any payments for such excess insured losses.

(4) *FINAL NETTING.*—The Secretary shall have sole discretion to determine the time at which claims relating to any insured loss or act of terrorism shall become final.

(5) *DETERMINATIONS FINAL.*—Any determination of the Secretary under this subsection shall be final, unless expressly provided, and shall not be subject to judicial review.

(6) *INSURANCE MARKETPLACE AGGREGATE RETENTION AMOUNT.*—For purposes of paragraph (7), the insurance marketplace aggregate retention amount shall be—

(A) for the period beginning on the first day of the Transition Period and ending on the last day of Program Year 1, the lesser of—

(i) \$10,000,000,000; and

(ii) the aggregate amount, for all insurers, of insured losses during such period;

(B) for Program Year 2, the lesser of—

(i) \$12,500,000,000; and

(ii) the aggregate amount, for all insurers, of insured losses during such Program Year; and  
 (C) for Program Year 3, the lesser of—

(i) \$15,000,000,000; and

(ii) the aggregate amount, for all insurers, of insured losses during such Program Year.

(7) RECOUPMENT OF FEDERAL SHARE.—

(A) MANDATORY RECOUPMENT AMOUNT.—For purposes of this paragraph, the mandatory recoupment amount for each of the periods referred to in subparagraphs (A), (B), and (C) of paragraph (6) shall be the difference between—

(i) the insurance marketplace aggregate retention amount under paragraph (6) for such period; and

(ii) the aggregate amount, for all insurers, of insured losses during such period that are not compensated by the Federal Government because such losses—

(I) are within the insurer deductible for the insurer subject to the losses; or

(II) are within the portion of losses of the insurer that exceed the insurer deductible, but are not compensated pursuant to paragraph (1).

(B) NO MANDATORY RECOUPMENT IF UNCOMPENSATED LOSSES EXCEED INSURANCE MARKETPLACE RETENTION.—Notwithstanding subparagraph (A), if the aggregate amount of uncompensated insured losses referred to in clause (ii) of such subparagraph for any period referred to in subparagraph (A), (B), or (C) of paragraph (6) is greater than the insurance marketplace aggregate retention amount under paragraph (6) for such period, the mandatory recoupment amount shall be \$0.

(C) MANDATORY ESTABLISHMENT OF SURCHARGES TO RECOUP MANDATORY RECOUPMENT AMOUNT.—The Secretary shall collect, for repayment of the Federal financial assistance provided in connection with all acts of terrorism (or acts of war, in the case of workers compensation) occurring during any of the periods referred to in subparagraph (A), (B), or (C) of paragraph (6), terrorism loss risk-spreading premiums in an amount equal to any mandatory recoupment amount for such period.

(D) DISCRETIONARY RECOUPMENT OF REMAINDER OF FINANCIAL ASSISTANCE.—To the extent that the amount of Federal financial assistance provided exceeds any mandatory recoupment amount, the Secretary may recoup, through terrorism loss risk-spreading premiums, such additional amounts that the Secretary believes can be recouped, based on—

(i) the ultimate costs to taxpayers of no additional recoupment;

(ii) the economic conditions in the commercial marketplace, including the capitalization, profitability, and investment returns of the insurance industry and the current cycle of the insurance markets;

(iii) the affordability of commercial insurance for small- and medium-sized businesses; and

(iv) such other factors as the Secretary considers appropriate.

(8) *POLICY SURCHARGE FOR TERRORISM LOSS RISK-SPREADING PREMIUMS.*—

(A) *POLICYHOLDER PREMIUM.*—Any amount established by the Secretary as a terrorism loss risk-spreading premium shall—

(i) be imposed as a policyholder premium surcharge on property and casualty insurance policies in force after the date of such establishment;

(ii) begin with such period of coverage during the year as the Secretary determines appropriate; and

(iii) be based on a percentage of the premium amount charged for property and casualty insurance coverage under the policy.

(B) *COLLECTION.*—The Secretary shall provide for insurers to collect terrorism loss risk-spreading premiums and remit such amounts collected to the Secretary.

(C) *PERCENTAGE LIMITATION.*—A terrorism loss risk-spreading premium (including any additional amount included in such premium on a discretionary basis pursuant to paragraph (7)(D)) may not exceed, on an annual basis, the amount equal to 3 percent of the premium charged for property and casualty insurance coverage under the policy.

(D) *ADJUSTMENT FOR URBAN AND SMALLER COMMERCIAL AND RURAL AREAS AND DIFFERENT LINES OF INSURANCE.*—

(i) *ADJUSTMENTS.*—In determining the method and manner of imposing terrorism loss risk-spreading premiums, including the amount of such premiums, the Secretary shall take into consideration—

(I) the economic impact on commercial centers of urban areas, including the effect on commercial rents and commercial insurance premiums, particularly rents and premiums charged to small businesses, and the availability of lease space and commercial insurance within urban areas;

(II) the risk factors related to rural areas and smaller commercial centers, including the potential exposure to loss and the likely magnitude of such loss, as well as any resulting cross-subsidization that might result; and

(III) the various exposures to terrorism risk for different lines of insurance.

(ii) *RECOUPMENT OF ADJUSTMENTS.*—Any mandatory recoupment amounts not collected by the Secretary because of adjustments under this subparagraph shall be recouped through additional terrorism loss risk-spreading premiums.

(E) *TIMING OF PREMIUMS.*—The Secretary may adjust the timing of terrorism loss risk-spreading premiums to provide for equivalent application of the provisions of this title to policies that are not based on a calendar year, or to apply such provisions on a daily, monthly, or quarterly basis, as appropriate.

(f) *CAPTIVE INSURERS AND OTHER SELF-INSURANCE ARRANGEMENTS.*—The Secretary may, in consultation with the NAIC or the appropriate State regulatory authority, apply the provisions of this title, as appropriate, to other classes or types of captive insurers and other self-insurance arrangements by municipalities and other entities (such as workers' compensation self-insurance programs and State workers' compensation reinsurance pools), but only if such application is determined before the occurrence of an act of terrorism in which such an entity incurs an insured loss and all of the provisions of this title are applied comparably to such entities.

(g) *REINSURANCE TO COVER EXPOSURE.*—

(1) *OBTAINING COVERAGE.*—This title may not be construed to limit or prevent insurers from obtaining reinsurance coverage for insurer deductibles or insured losses retained by insurers pursuant to this section, nor shall the obtaining of such coverage affect the calculation of such deductibles or retentions.

(2) *LIMITATION ON FINANCIAL ASSISTANCE.*—The amount of financial assistance provided pursuant to this section shall not be reduced by reinsurance paid or payable to an insurer from other sources, except that recoveries from such other sources, taken together with financial assistance for the Transition Period or a Program Year provided pursuant to this section, may not exceed the aggregate amount of the insurer's insured losses for such period. If such recoveries and financial assistance for the Transition Period or a Program Year exceed such aggregate amount of insured losses for that period and there is no agreement between the insurer and any reinsurer to the contrary, an amount in excess of such aggregate insured losses shall be returned to the Secretary.

(h) *GROUP LIFE INSURANCE STUDY.*—

(1) *STUDY.*—The Secretary shall study, on an expedited basis, whether adequate and affordable catastrophe reinsurance for acts of terrorism is available to life insurers in the United States that issue group life insurance, and the extent to which the threat of terrorism is reducing the availability of group life insurance coverage for consumers in the United States.

(2) *CONDITIONAL COVERAGE.*—To the extent that the Secretary determines that such coverage is not or will not be reasonably available to both such insurers and consumers, the Secretary shall, in consultation with the NAIC—

(A) apply the provisions of this title, as appropriate, to providers of group life insurance; and

(B) provide such restrictions, limitations, or conditions with respect to any financial assistance provided that the Secretary deems appropriate, based on the study under paragraph (1).

(i) *STUDY AND REPORT.*—

(1) *STUDY.*—The Secretary, after consultation with the NAIC, representatives of the insurance industry, and other experts in the insurance field, shall conduct a study of the potential effects of acts of terrorism on the availability of life insurance and other lines of insurance coverage, including personal lines.

(2) *REPORT.*—Not later than 9 months after the date of enactment of this Act, the Secretary shall submit a report to the

Congress on the results of the study conducted under paragraph (1).

**SEC. 104. GENERAL AUTHORITY AND ADMINISTRATION OF CLAIMS.**

(a) **GENERAL AUTHORITY.**—The Secretary shall have the powers and authorities necessary to carry out the Program, including authority—

(1) to investigate and audit all claims under the Program; and

(2) to prescribe regulations and procedures to effectively administer and implement the Program, and to ensure that all insurers and self-insured entities that participate in the Program are treated comparably under the Program.

(b) **INTERIM RULES AND PROCEDURES.**—The Secretary may issue interim final rules or procedures specifying the manner in which—

(1) insurers may file and certify claims under the Program;

(2) the Federal share of compensation for insured losses will be paid under the Program, including payments based on estimates of or actual insured losses;

(3) the Secretary may, at any time, seek repayment from or reimburse any insurer, based on estimates of insured losses under the Program, to effectuate the insured loss sharing provisions in section 103; and

(4) the Secretary will determine any final netting of payments under the Program, including payments owed to the Federal Government from any insurer and any Federal share of compensation for insured losses owed to any insurer, to effectuate the insured loss sharing provisions in section 103.

(c) **CONSULTATION.**—The Secretary shall consult with the NAIC, as the Secretary determines appropriate, concerning the Program.

(d) **CONTRACTS FOR SERVICES.**—The Secretary may employ persons or contract for services as may be necessary to implement the Program.

(e) **CIVIL PENALTIES.**—

(1) **IN GENERAL.**—The Secretary may assess a civil monetary penalty in an amount not exceeding the amount under paragraph (2) against any insurer that the Secretary determines, on the record after opportunity for a hearing—

(A) has failed to charge, collect, or remit terrorism loss risk-spreading premiums under section 103(e) in accordance with the requirements of, or regulations issued under, this title;

(B) has intentionally provided to the Secretary erroneous information regarding premium or loss amounts;

(C) submits to the Secretary fraudulent claims under the Program for insured losses;

(D) has failed to provide the disclosures required under subsection (f); or

(E) has otherwise failed to comply with the provisions of, or the regulations issued under, this title.

(2) **AMOUNT.**—The amount under this paragraph is the greater of \$1,000,000 and, in the case of any failure to pay, charge, collect, or remit amounts in accordance with this title or the regulations issued under this title, such amount in dispute.

(3) *RECOVERY OF AMOUNT IN DISPUTE.*—A penalty under this subsection for any failure to pay, charge, collect, or remit amounts in accordance with this title or the regulations under this title shall be in addition to any such amounts recovered by the Secretary.

(f) *SUBMISSION OF PREMIUM INFORMATION.*—

(1) *IN GENERAL.*—The Secretary shall annually compile information on the terrorism risk insurance premium rates of insurers for the preceding year.

(2) *ACCESS TO INFORMATION.*—To the extent that such information is not otherwise available to the Secretary, the Secretary may require each insurer to submit to the NAIC terrorism risk insurance premium rates, as necessary to carry out paragraph (1), and the NAIC shall make such information available to the Secretary.

(3) *AVAILABILITY TO CONGRESS.*—The Secretary shall make information compiled under this subsection available to the Congress, upon request.

(g) *FUNDING.*—

(1) *FEDERAL PAYMENTS.*—There are hereby appropriated, out of funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay the Federal share of compensation for insured losses under the Program.

(2) *ADMINISTRATIVE EXPENSES.*—There are hereby appropriated, out of funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay reasonable costs of administering the Program.

**SEC. 105. PREEMPTION AND NULLIFICATION OF PRE-EXISTING TERRORISM EXCLUSIONS.**

(a) *GENERAL NULLIFICATION.*—Any terrorism exclusion in a contract for property and casualty insurance that is in force on the date of enactment of this Act shall be void to the extent that it excludes losses that would otherwise be insured losses.

(b) *GENERAL PREEMPTION.*—Any State approval of any terrorism exclusion from a contract for property and casualty insurance that is in force on the date of enactment of this Act, shall be void to the extent that it excludes losses that would otherwise be insured losses.

(c) *REINSTATEMENT OF TERRORISM EXCLUSIONS.*—Notwithstanding subsections (a) and (b) or any provision of State law, an insurer may reinstate a preexisting provision in a contract for property and casualty insurance that is in force on the date of enactment of this Act and that excludes coverage for an act of terrorism only—

(1) if the insurer has received a written statement from the insured that affirmatively authorizes such reinstatement; or

(2) if—

(A) the insured fails to pay any increased premium charged by the insurer for providing such terrorism coverage; and

(B) the insurer provided notice, at least 30 days before any such reinstatement, of—

(i) the increased premium for such terrorism coverage; and

(ii) *the rights of the insured with respect to such coverage, including any date upon which the exclusion would be reinstated if no payment is received.*

**SEC. 106. PRESERVATION PROVISIONS.**

(a) *STATE LAW.—Nothing in this title shall affect the jurisdiction or regulatory authority of the insurance commissioner (or any agency or office performing like functions) of any State over any insurer or other person—*

*(1) except as specifically provided in this title; and*

*(2) except that—*

*(A) the definition of the term “act of terrorism” in section 102 shall be the exclusive definition of that term for purposes of compensation for insured losses under this title, and shall preempt any provision of State law that is inconsistent with that definition, to the extent that such provision of law would otherwise apply to any type of insurance covered by this title;*

*(B) during the period beginning on the date of enactment of this Act and ending on December 31, 2003, rates and forms for terrorism risk insurance covered by this title and filed with any State shall not be subject to prior approval or a waiting period under any law of a State that would otherwise be applicable, except that nothing in this title affects the ability of any State to invalidate a rate as excessive, inadequate, or unfairly discriminatory, and, with respect to forms, where a State has prior approval authority, it shall apply to allow subsequent review of such forms; and*

*(C) during the period beginning on the date of enactment of this Act and for so long as the Program is in effect, as provided in section 108, including authority in subsection 108(b), books and records of any insurer that are relevant to the Program shall be provided, or caused to be provided, to the Secretary, upon request by the Secretary, notwithstanding any provision of the laws of any State prohibiting or limiting such access.*

(b) *EXISTING REINSURANCE AGREEMENTS.—Nothing in this title shall be construed to alter, amend, or expand the terms of coverage under any reinsurance agreement in effect on the date of enactment of this Act. The terms and conditions of such an agreement shall be determined by the language of that agreement.*

**SEC. 107. LITIGATION MANAGEMENT.**

(a) *PROCEDURES AND DAMAGES.—*

*(1) IN GENERAL.—If the Secretary makes a determination pursuant to section 102 that an act of terrorism has occurred, there shall exist a Federal cause of action for property damage, personal injury, or death arising out of or resulting from such act of terrorism, which shall be the exclusive cause of action and remedy for claims for property damage, personal injury, or death arising out of or relating to such act of terrorism, except as provided in subsection (b).*

*(2) PREEMPTION OF STATE ACTIONS.—All State causes of action of any kind for property damage, personal injury, or death arising out of or resulting from an act of terrorism that are oth-*

erwise available under State law are hereby preempted, except as provided in subsection (b).

(3) *SUBSTANTIVE LAW.*—The substantive law for decision in any such action described in paragraph (1) shall be derived from the law, including choice of law principles, of the State in which such act of terrorism occurred, unless such law is otherwise inconsistent with or preempted by Federal law.

(4) *JURISDICTION.*—For each determination described in paragraph (1), not later than 90 days after the occurrence of an act of terrorism, the Judicial Panel on Multidistrict Litigation shall designate 1 district court or, if necessary, multiple district courts of the United States that shall have original and exclusive jurisdiction over all actions for any claim (including any claim for loss of property, personal injury, or death) relating to or arising out of an act of terrorism subject to this section. The Judicial Panel on Multidistrict Litigation shall select and assign the district court or courts based on the convenience of the parties and the just and efficient conduct of the proceedings. For purposes of personal jurisdiction, the district court or courts designated by the Judicial Panel on Multidistrict Litigation shall be deemed to sit in all judicial districts in the United States.

(5) *PUNITIVE DAMAGES.*—Any amounts awarded in an action under paragraph (1) that are attributable to punitive damages shall not count as insured losses for purposes of this title.

(b) *EXCLUSION.*—Nothing in this section shall in any way limit the liability of any government, an organization, or person who knowingly participates in, conspires to commit, aids and abets, or commits any act of terrorism with respect to which a determination described in subsection (a)(1) was made.

(c) *RIGHT OF SUBROGATION.*—The United States shall have the right of subrogation with respect to any payment or claim paid by the United States under this title.

(d) *RELATIONSHIP TO OTHER LAW.*—Nothing in this section shall be construed to affect—

- (1) any party's contractual right to arbitrate a dispute; or
- (2) any provision of the Air Transportation Safety and System Stabilization Act (Public Law 107-42; 49 U.S.C. 40101 note.).

(e) *EFFECTIVE PERIOD.*—This section shall apply only to actions described in subsection (a)(1) that arise out of or result from acts of terrorism that occur or occurred during the effective period of the Program.

**SEC. 108. TERMINATION OF PROGRAM.**

(a) *TERMINATION OF PROGRAM.*—The Program shall terminate on December 31, 2005.

(b) *CONTINUING AUTHORITY TO PAY OR ADJUST COMPENSATION.*—Following the termination of the Program, the Secretary may take such actions as may be necessary to ensure payment, recoupment, reimbursement, or adjustment of compensation for insured losses arising out of any act of terrorism occurring during the period in which the Program was in effect under this title, in accordance with the provisions of section 103 and regulations promulgated thereunder.

(c) **REPEAL; SAVINGS CLAUSE.**—*This title is repealed on the final termination date of the Program under subsection (a), except that such repeal shall not be construed—*

(1) *to prevent the Secretary from taking, or causing to be taken, such actions under subsection (b) of this section, paragraph (4), (5), (6), (7), or (8) of section 103(e), or subsection (a)(1), (c), (d), or (e) of section 104, as in effect on the day before the date of such repeal, or applicable regulations promulgated thereunder, during any period in which the authority of the Secretary under subsection (b) of this section is in effect; or*

(2) *to prevent the availability of funding under section 104(g) during any period in which the authority of the Secretary under subsection (b) of this section is in effect.*

(d) **STUDY AND REPORT ON THE PROGRAM.**—

(1) **STUDY.**—*The Secretary, in consultation with the NAIC, representatives of the insurance industry and of policy holders, other experts in the insurance field, and other experts as needed, shall assess the effectiveness of the Program and the likely capacity of the property and casualty insurance industry to offer insurance for terrorism risk after termination of the Program, and the availability and affordability of such insurance for various policyholders, including railroads, trucking, and public transit.*

(2) **REPORT.**—*The Secretary shall submit a report to the Congress on the results of the study conducted under paragraph (1) not later than June 30, 2005.*

## **TITLE II—TREATMENT OF TERRORIST ASSETS**

### **SEC. 201. SATISFACTION OF JUDGMENTS FROM BLOCKED ASSETS OF TERRORISTS, TERRORIST ORGANIZATIONS, AND STATE SPONSORS OF TERRORISM.**

(a) **IN GENERAL.**—*Notwithstanding any other provision of law, and except as provided in subsection (b), in every case in which a person has obtained a judgment against a terrorist party on a claim based upon an act of terrorism, or for which a terrorist party is not immune under section 1605(a)(7) of title 28, United States Code, the blocked assets of that terrorist party (including the blocked assets of any agency or instrumentality of that terrorist party) shall be subject to execution or attachment in aid of execution in order to satisfy such judgment to the extent of any compensatory damages for which such terrorist party has been adjudged liable.*

(b) **PRESIDENTIAL WAIVER.**—

(1) **IN GENERAL.**—*Subject to paragraph (2), upon determining on an asset-by-asset basis that a waiver is necessary in the national security interest, the President may waive the requirements of subsection (a) in connection with (and prior to the enforcement of) any judicial order directing attachment in aid of execution or execution against any property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.*

(2) **EXCEPTION.**—*A waiver under this subsection shall not apply to—*

(A) property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations that has been used by the United States for any nondiplomatic purpose (including use as rental property), or the proceeds of such use; or

(B) the proceeds of any sale or transfer for value to a third party of any asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations.

(c) *SPECIAL RULE FOR CASES AGAINST IRAN.*—Section 2002 of the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106-386; 114 Stat. 1542), as amended by section 686 of Public Law 107-228, is further amended—

(1) in subsection (a)(2)(A)(ii), by striking “July 27, 2000, or January 16, 2002” and inserting “July 27, 2000, any other date before October 28, 2000, or January 16, 2002”;

(2) in subsection (b)(2)(B), by inserting after “the date of enactment of this Act” the following: “(less amounts therein as to which the United States has an interest in subrogation pursuant to subsection (c) arising prior to the date of entry of the judgment or judgments to be satisfied in whole or in part hereunder)”;

(3) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively; and

(4) by inserting after subsection (c) the following new subsection (d):

“(d) *DISTRIBUTION OF ACCOUNT BALANCES AND PROCEEDS INADEQUATE TO SATISFY FULL AMOUNT OF COMPENSATORY AWARDS AGAINST IRAN.*—

“(1) *PRIOR JUDGMENTS.*—

“(A) *IN GENERAL.*—In the event that the Secretary determines that 90 percent of the amounts available to be paid under subsection (b)(2) are inadequate to pay the total amount of compensatory damages awarded in judgments issued as of the date of the enactment of this subsection in cases identified in subsection (a)(2)(A) with respect to Iran, the Secretary shall, not later than 60 days after such date, make payment from such amounts available to be paid under subsection (b)(2) to each party to which such a judgment has been issued in an amount equal to a share, calculated under subparagraph (B), of 90 percent of the amounts available to be paid under subsection (b)(2) that have not been subrogated to the United States under this Act as of the date of enactment of this subsection.

“(B) *CALCULATION OF PAYMENTS.*—The share that is payable to a person under subparagraph (A), including any person issued a final judgment as of the date of enactment of this subsection in a suit filed on a date added by the amendment made by section 686 of Public Law 107-228, shall be equal to the proportion that the amount of unpaid compensatory damages awarded in a final judgment issued to that person bears to the total amount of all unpaid compensatory damages awarded to all persons to whom such judgments have been issued as of the date of enactment of

*this subsection in cases identified in subsection (a)(2)(A) with respect to Iran.*

*“(2) SUBSEQUENT JUDGMENT.—*

*“(A) IN GENERAL.—The Secretary shall pay to any person awarded a final judgment after the date of enactment of this subsection, in the case filed on January 16, 2002, and identified in subsection (a)(2)(A) with respect to Iran, an amount equal to a share, calculated under subparagraph (B), of the balance of the amounts available to be paid under subsection (b)(2) that remain following the disbursement of all payments as provided by paragraph (1). The Secretary shall make such payment not later than 30 days after such judgment is awarded.*

*“(B) CALCULATION OF PAYMENTS.—To the extent that funds are available, the amount paid under subparagraph (A) to such person shall be the amount the person would have been paid under paragraph (1) if the person had been awarded the judgment prior to the date of enactment of this subsection.*

*“(3) ADDITIONAL PAYMENTS.—*

*“(A) IN GENERAL.—Not later than 30 days after the disbursement of all payments under paragraphs (1) and (2), the Secretary shall make an additional payment to each person who received a payment under paragraph (1) or (2) in an amount equal to a share, calculated under subparagraph (B), of the balance of the amounts available to be paid under subsection (b)(2) that remain following the disbursement of all payments as provided by paragraphs (1) and (2).*

*“(B) CALCULATION OF PAYMENTS.—The share payable under subparagraph (A) to each such person shall be equal to the proportion that the amount of compensatory damages awarded that person bears to the total amount of all compensatory damages awarded to all persons who received a payment under paragraph (1) or (2).*

*“(4) STATUTORY CONSTRUCTION.—Nothing in this subsection shall bar, or require delay in, enforcement of any judgment to which this subsection applies under any procedure or against assets otherwise available under this section or under any other provision of law.*

*“(5) CERTAIN RIGHTS AND CLAIMS NOT RELINQUISHED.—Any person receiving less than the full amount of compensatory damages awarded to that party in a judgment to which this subsection applies shall not be required to make the election set forth in subsection (a)(2)(B) or, with respect to subsection (a)(2)(D), the election relating to relinquishment of any right to execute or attach property that is subject to section 1610(f)(1)(A) of title 28, United States Code, except that such person shall be required to relinquish rights set forth—*

*“(A) in subsection (a)(2)(C); and*

*“(B) in subsection (a)(2)(D) with respect to enforcement against property that is at issue in claims against the United States before an international tribunal or that is the subject of awards by such tribunal.*

*“(6) GUIDELINES FOR ESTABLISHING CLAIMS OF A RIGHT TO PAYMENT.—The Secretary may promulgate reasonable guidelines through which any person claiming a right to payment under this section may inform the Secretary of the basis for such claim, including by submitting a certified copy of the final judgment under which such right is claimed and by providing commercially reasonable payment instructions. The Secretary shall take all reasonable steps necessary to ensure, to the maximum extent practicable, that such guidelines shall not operate to delay or interfere with payment under this section.”.*

*(d) DEFINITIONS.—In this section, the following definitions shall apply:*

*(1) ACT OF TERRORISM.—The term “act of terrorism” means—*

*(A) any act or event certified under section 102(1); or*

*(B) to the extent not covered by subparagraph (A), any terrorist activity (as defined in section 212(a)(3)(B)(iii) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)(iii))).*

*(2) BLOCKED ASSET.—The term “blocked asset” means—*

*(A) any asset seized or frozen by the United States under section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)) or under sections 202 and 203 of the International Emergency Economic Powers Act (50 U.S.C. 1701; 1702); and*

*(B) does not include property that—*

*(i) is subject to a license issued by the United States Government for final payment, transfer, or disposition by or to a person subject to the jurisdiction of the United States in connection with a transaction for which the issuance of such license has been specifically required by statute other than the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or the United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.); or*

*(ii) in the case of property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, or that enjoys equivalent privileges and immunities under the law of the United States, is being used exclusively for diplomatic or consular purposes.*

*(3) CERTAIN PROPERTY.—The term “property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations” and the term “asset subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations” mean any property or asset, respectively, the attachment in aid of execution or execution of which would result in a violation of an obligation of the United States under the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, as the case may be.*

*(4) TERRORIST PARTY.—The term “terrorist party” means a terrorist, a terrorist organization (as defined in section 212(a)(3)(B)(vi) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)(vi))), or a foreign state designated as a*

*state sponsor of terrorism under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).*

### **TITLE III—FEDERAL RESERVE BOARD PROVISIONS**

#### **SEC. 301. CERTAIN AUTHORITY OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**

*Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by adding at the end the following new subsection:*

*“(r)(1) Any action that this Act provides may be taken only upon the affirmative vote of 5 members of the Board may be taken upon the unanimous vote of all members then in office if there are fewer than 5 members in office at the time of the action.*

*“(2)(A) Any action that the Board is otherwise authorized to take under section 13(3) may be taken upon the unanimous vote of all available members then in office, if—*

*“(i) at least 2 members are available and all available members participate in the action;*

*“(ii) the available members unanimously determine that—*

*“(I) unusual and exigent circumstances exist and the borrower is unable to secure adequate credit accommodations from other sources;*

*“(II) action on the matter is necessary to prevent, correct, or mitigate serious harm to the economy or the stability of the financial system of the United States;*

*“(III) despite the use of all means available (including all available telephonic, telegraphic, and other electronic means), the other members of the Board have not been able to be contacted on the matter; and*

*“(IV) action on the matter is required before the number of Board members otherwise required to vote on the matter can be contacted through any available means (including all available telephonic, telegraphic, and other electronic means); and*

*“(iii) any credit extended by a Federal reserve bank pursuant to such action is payable upon demand of the Board.*

*“(B) The available members of the Board shall document in writing the determinations required by subparagraph (A)(ii), and such written findings shall be included in the record of the action and in the official minutes of the Board, and copies of such record shall be provided as soon as practicable to the members of the Board who were not available to participate in the action and to the Chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate and to the Chairman of the Committee on Financial Services of the House of Representatives.”.*

And the Senate agree to the same.

From the Committee on Financial Services, for consideration of the House bill and the Senate amendment thereto, and modifications committed to conference:

MICHAEL G. OXLEY,  
RICHARD H. BAKER,  
ROBERT W. NEY,  
SUE W. KELLY,  
CHRISTOPHER SHAYS,  
VITO FOSSELLA,  
MICHAEL FERGUSON,  
JOHN J. LAFALCE,  
PAUL E. KANJORSKI,  
KEN BENTSEN,  
JAMES H. MALONEY,  
DARLENE HOOLEY,

From the Committee on the Judiciary, for consideration of sec. 15 the House bill and secs. 10 and 11 of the Senate amendment thereto, and modifications committed to conference:

JOHN CONYERS, Jr.,  
*Managers on the Part of the House.*

PAUL SARBANES,  
CHRISTOPHER J. DODD,  
JACK REED,  
CHARLES SCHUMER,  
*Managers on the Part of the Senate.*



## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3210) to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment.

The Conference Report includes the following provisions:

### *Section 1. Short title; table of contents*

The short title of this legislation is “Terrorism Risk Insurance Act of 2002.”

#### TITLE I—TERRORISM INSURANCE PROGRAM

### *Section 101. Congressional findings and purpose*

Following the widespread financial market uncertainties due to the terrorist attacks of September 11, 2001, Congress determined that there was a need for a temporary Federal program to establish a system of shared public/private compensation for insured losses resulting from acts of terrorism to protect consumers and create a transitional period for the private insurance markets to stabilize.

### *Section 102. Definitions*

Section 102 defines terms necessary for implementation of this legislation. The Federal backstop is triggered when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General, certifies that an event meets the definition of an act of terrorism. The legislation only applies to U.S. risks, including domestic air carriers and flag vessels, U.S. territorial seas and continental shelf, and U.S. missions. The legislation applies only to acts that are committed by an individual or individuals acting on behalf of a foreign person or foreign interest.

The terms “affiliate” and “control” are meant to ensure that affiliated insurers are treated as a consolidated entity for calculating direct earned premiums. The term “insured loss” includes losses resulting from an act of terrorism (and from an act of war in the case of workers compensation). Each insurer will be responsible for paying out a prescribed amount of insured losses, the “insurer deduct-

ible,” before Federal assistance becomes available. This deductible is based on a percentage of direct earned premiums from the previous calendar year. Insurers’ deductibles are 1% during a transition period for the remainder of 2002, 7% in 2003, 10% in 2004, and 15% in 2005. Except as otherwise specifically provided, the Conferees intend the legislation to apply only to primary and excess commercial property and casualty insurance (including cyberterrorism and business interruption coverage).

*Section 103. Terrorism Insurance Program*

The Terrorism Insurance Program is established in the Department of the Treasury under which the Federal government will share the risk of loss from future terrorist attacks with the commercial property and casualty insurance marketplace, for a temporary period of time. The Secretary of the Treasury (hereafter “Secretary”) shall administer the Program and pay the Federal share of compensation for insured losses. The Federal government pays 90% of insured losses in excess of an insurer’s deductible while the insurer pays 10%. Insurers may reinsure their insurer deductibles and 10% co-shares. Losses covered by the Program will be capped at \$100 billion per year; above this amount, Congress is to determine the procedures for and the source of any payments.

Before receiving Federal assistance under this Act, an insurer must certify its claim for payment of insured losses, that a policyholder (or person acting on the policyholder’s behalf) has filed a claim for such loss, and the insurer’s compliance with the Act. The Secretary may not reimburse an insurer for such losses unless the insurer has provided clear and conspicuous disclosure to the policyholder of the premium charged for terrorism coverage and the Federal share of compensation. This disclosure to the policyholder must occur at the time of offer, purchase, and renewal of the policy for policies issued after the date of enactment, and must be made on a separate line item in the policy with respect to policies issued more than 90 days after enactment. For policies issued before the date of enactment, the disclosure must be made within 90 days of such date. The Conferees intend this disclosure to enhance the competitiveness of the marketplace by better enabling consumers to comparison shop for terrorism insurance coverage, and to make policyholders better aware that the Federal government will be sharing the costs of such coverage with the insurers, thereby reducing the insurers’s exposure. Insurers must submit premium and claims information to the Secretary who may investigate and audit all claims under the Program.

Each entity meeting the definition of insurer under this legislation is required to participate in the Program. During the first two years of the Program each such insurer must make available in all of its property and casualty insurance policies coverage for insured losses, and shall make such coverage available on terms that do not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than acts of terrorism. The Secretary has discretion to extend this requirement to the third year of the Program, to preserve this important option for policyholders.

Section 103 provides for insurance marketplace retentions of \$10 billion in Program year 1 (including any remainder of 2002), \$12.5 billion in Program year 2, and \$15 billion in Program year 3. Federal assistance within the retention above in insurer deductibles and 10% co-shares must be recouped while additional amounts of Federal assistance may be recouped based on economic factors in the judgment of the Secretary. Mandatory recoupment within the insurance marketplace retention is through terrorism loss risk-spreading premiums (surcharges) paid by all commercial property and casualty policyholders based on premium rates with any year's surcharge (mandatory and discretionary combined) capped at 3% of the premium charged for property and casualty insurance coverage under the policy in each such year. The Secretary has discretion over the timing of recoupment, and to adjust amounts for urban, smaller commercial, and rural areas, as well as for different lines of insurance, so long as the mandatory amounts are ultimately recouped. The Secretary may assess civil penalties on insurers for submission of false or misleading information or failure to repay the Secretary for any amount required to be repaid, or for other failure to comply with the provisions of this title.

This section directs the Secretary to apply the provisions of the legislation to State residual market insurance entities and State workers compensation funds. The Secretary is directed to either treat State residual market insurance entities as separate insurers, or to calculate the premiums, losses, and Federal backstop based on each insurer's share of the entity, imputing such amounts as part of their total business. This calculation would apply to all insurers that participate in such entities, regardless of whether they otherwise provide commercial property and casualty insurance as set forth in the legislation. This section further gives the Secretary discretion to apply the legislation to various classes of captives and self-insurance programs (such as workers' compensation self-insurance programs and State workers' compensation reinsurance pools).

The Secretary is also directed to conduct an expedited study to determine whether adequate and affordable catastrophe reinsurance for acts of terrorism is available to group life insurers and whether the threat of terrorism is reducing the availability of group life insurance for consumers. Should the Secretary determine that terrorism coverage is not or will not be reasonably available to insurers and consumers, the Secretary would be required to include group life insurance in the Terrorism Insurance Program. In so doing, the Secretary would have discretion to determine the most appropriate way to include group life insurance in the Program.

The Secretary, after consultation with the NAIC, is to conduct a study of the potential effects of acts of terrorism on the availability of life insurance generally and other lines of insurance coverage, including personal lines, to be submitted to Congress not later than 9 months from the date of enactment.

*Section 104. General authority and administration of claims*

The Secretary shall have the powers and authorities necessary to carry out the Program. The Secretary shall annually compile information on the terrorism risk insurance premium rates of insur-

ers for the preceding year. To the extent that such information is not otherwise available, the Secretary may require insurers to submit their terrorism risk insurance premium rates to the NAIC, which shall make such information available to the Secretary.

*Section 105. Preemption and nullification of pre-existing terrorism exclusions*

This section voids any commercial property and casualty terrorism insurance exclusion that is in force on the date of the enactment of this Act to the extent that it excludes that in force on the date of the enactment of this Act to the extent that it excludes losses that would otherwise be insured losses. Any State approval of any commercial property and casualty terrorism insurance exclusion in force on the date of enactment is also void to the extent that it excludes losses that would otherwise be insured losses.

This provision is intended to create immediate terrorism coverage for commercial property and casualty policyholders upon enactment for a short window of time, while allowing insurers to immediately send notices of the increased premium for such coverage and giving policyholders the option within 30 days of such notice to pay such increased premium or allow reinstatement of any pre-existing terrorism exclusion.

*Section 106. Preservation provisions*

This section preserves State regulatory authority except as specifically provided in this legislation. A uniform definition of a terrorist act is established in this legislation. Until the end of 2003, States would be required to allow rate and form changes to take effect immediately but would retain authority to disapprove any rates as excessive, inadequate, or unfairly discriminatory and where a State has prior approval authority for forms, subsequent review of such forms is permitted. During the period in which the Secretary's authority to carry out the Program is in effect, the Secretary would have access to any books and records of insurers that are relevant to the Program.

*Section 107. Litigation management*

The Conferees agreed to a provision on litigation management.

*Section 108. Termination of program*

This section provides a three-year program (with a transition period for the balance of 2002) that terminates on December 31, 2005. The Secretary shall conduct a study and report to Congress no later than June 30, 2005 on the effectiveness of the Program and the likely capacity of the property and casualty insurance industry to offer insurance for terrorism risk after termination of the Program, and the availability and affordability of such insurance for various policyholders, including railroads, trucking, and public transit.

## TITLE II—TREATMENT OF TERRORIST ASSETS

*Section 201. Satisfaction of judgments from blocked assets of terrorists, terrorist organizations, and state sponsors of terrorism*

The purpose of Section 201 is to deal comprehensively with the problem of enforcement of judgments rendered on behalf of victims of terrorism in any court of competent jurisdiction by enabling them to satisfy such judgments through the attachment of blocked assets of terrorist parties. It is the intent of the Conferees that Section 201 establish that such judgments are to be enforced. Section 201 builds upon and extends the principles in section 1610(f)(1) of the Foreign Sovereign Immunities Act (28 U.S.C. § 1610(f)(1)), authorizes the enforcement of judgments against terrorist organizations and eliminates the effect of any Presidential waiver issued prior to the date of enactment purporting to bar or restrict enforcement of such judgments, thereby making clear that all such judgments are enforceable against any assets or property under any authorities referenced in Section 1610(f)(1).

Section 201(c) establishes a special rule for cases against Iran. In Section 2002 of the Victims of Trafficking and Violence Protection Act of 2000 (2000 Act), Congress directed that specified claimants against Iran under Section 1605(a)(7) of the Foreign Sovereign Immunities Act receive payment in satisfaction of judgments. Unfortunately, several victims and families of victims who brought suit against Iran, were left out of the 2000 Act. The Conferees have sought to correct this injustice.

In order to accommodate additional dates within the equitable formula for payment of remaining amounts in the accounts and rental proceeds, the Conferees added to Section (c) an adjustment to the proportional formula for payment to qualifying claimants.

In Section 201(d), the Conferees broadened the definition of “act of terrorism” for purposes of that section; defined the term “blocked assets”; and clarified the term “terrorist organization” to mean any entity included in the definition provided in Section 212(a)(3)(B)(vi) of the Immigration and Nationality Act, (8 U.S.C. § 1182(a)(3)(B)(vi)). This provision is intended to reach terrorist organizations.

## TITLE III—FEDERAL RESERVE BOARD PROVISIONS

*Section 301. Certain authority of the Board of Governors of the Federal Reserve System*

The Conferees agreed to certain changes to Section 11 of the Federal Reserve Act.

From the Committee on Financial Services, for consideration of the House bill and the Senate amendment thereto, and modifications committed to conference:

MICHAEL G. OXLEY,  
 RICHARD H. BAKER,  
 ROBERT W. NEY,  
 SUE W. KELLY,  
 CHRISTOPHER SHAYS,  
 VITO FOSSELLA,  
 MICHAEL FERGUSON,  
 JOHN J. LAFALCE,  
 PAUL E. KANJORSKI,  
 KEN BENTSEN,  
 JAMES H. MALONEY,  
 DARLENE HOOLEY,

From the Committee on the Judiciary, for consideration of sec. 15 the House bill and secs. 10 and 11 of the Senate amendment thereto, and modifications committed to conference:

JOHN CONYERS, Jr.,  
*Managers on the Part of the House.*

PAUL SARBANES,  
 CHRISTOPHER J. DODD,  
 JACK REED,  
 CHARLES SCHUMER,  
*Managers on the Part of the Senate.*

○

## III

*(Acts adopted under the EU Treaty)*

## ACTS ADOPTED UNDER TITLE V OF THE EU TREATY

**COUNCIL COMMON POSITION 2007/140/CFSP****of 27 February 2007****concerning restrictive measures against Iran**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 15 thereof,

Whereas:

- (1) On 23 December 2006, the United Nations Security Council adopted Resolution 1737 (2006) (UNSCR 1737 (2006)), urging Iran to suspend without further delay some proliferation sensitive nuclear activities and introducing certain restrictive measures against Iran.
- (2) On 22 January 2007, the Council of the European Union welcomed the measures contained in UNSCR 1737 (2006) and called on all countries to implement them in full and without delay.
- (3) UNSCR 1737 (2006) prohibits the direct or indirect supply, sale or transfer to Iran of items, materials, equipment, goods and technology which could contribute to Iran's enrichment related, reprocessing or heavy water related activities, or to the development of nuclear weapon delivery systems. These items, materials, equipment, goods and technology are contained in the Nuclear Suppliers Group and Missile Technology Control Regime lists.
- (4) UNSCR 1737 (2006) also prohibits the provision of technical assistance or training, financial assistance, investment, brokering or other services in relation to items subject to the export prohibition. The Council considers it appropriate to extend this prohibition to all items contained in the Nuclear Suppliers Group and the Missile Technology Control Regime lists and considers that these prohibitions should also cover financing.
- (5) UNSCR 1737 (2006) provides that the export of certain further items should also be prohibited if it is determined that they would contribute to enrichment related, reprocessing or heavy water related activities, or to the development of nuclear weapon delivery systems, or to activities about which the IAEA has expressed concerns;
- the export of such items should therefore be subject to authorisation by the competent authorities of the Member States.
- (6) UNSCR 1737 (2006) also prohibits the procurement from Iran of the items covered by the above mentioned export prohibition.
- (7) UNSCR 1737 (2006) calls upon Member States to exercise vigilance regarding the entry into, or transit through, their territories of persons engaged in, directly associated with, or providing support for, Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, as designated in the Annex to UNSCR 1737 (2006) and of additional persons designated by the Security Council or the Committee established pursuant to paragraph 18 of UNSCR 1737 (2006) ('the Committee').
- (8) In line with the Council conclusions of 22 January 2007 and with the objectives of UNSCR 1737 (2006), restrictions on admission should be applied in respect of the persons designated by the Security Council or the Committee, as well as of additional persons, using the same criteria as those applied by the Security Council or the Committee to identify the persons concerned.
- (9) UNSCR 1737 (2006) furthermore imposes a freezing of funds, other financial assets and economic resources, belonging to, owned, held or controlled, directly or indirectly, by the persons or entities designated by the Security Council or by the Committee as being engaged in, directly associated with, or providing support for, Iran's proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them, including through illicit means; it also imposes an obligation that no funds, financial assets or economic resources be made available to, or for the benefit of, such persons or entities.

- (10) In line with the Council conclusions of 22 January 2007 and in order to fulfil the objectives of UNSCR 1737 (2006), the freezing referred to in recital 9 should also be applicable to additional persons and entities, as determined by the Council using the same criteria as those applied by the Security Council or the Committee to identify the persons or entities concerned.
- (11) UNSCR 1737 (2006) calls upon all States to exercise vigilance and prevent specialised teaching or training of Iranian nationals of disciplines which would contribute to Iran's nuclear proliferation sensitive activities and development of nuclear weapon delivery systems.
- (12) Action by the Community is needed in order to implement certain measures,

HAS ADOPTED THIS COMMON POSITION:

#### *Article 1*

1. The direct or indirect supply, sale or transfer of the following items, materials, equipment, goods and technology, including software, to, or for the use in, or benefit of, Iran, by nationals of Member States or through the territories of Member States, or using their flag vessels or aircraft, shall be prohibited whether originating or not in their territories:

- (a) items, materials, equipment, goods and technology contained in the Nuclear Suppliers Group and Missile Technology Control Regime lists;
- (b) any additional items, materials, equipment, goods and technology, determined by the Security Council or the Committee, which could contribute to enrichment related, reprocessing or heavy water related activities, or to the development of nuclear weapon delivery systems;

2. It shall also be prohibited to:

- (a) provide technical assistance or training, investment, or brokering services related to items, materials, equipment, goods and technology set out in paragraph 1 and to the provision, manufacture, maintenance and use of these items, materials, equipment, goods and technology, directly or indirectly to any person, entity or body in, or for use in Iran;
- (b) provide financing or financial assistance related to items and technologies referred to in paragraph 1, including in particular grants, loans and export credit insurance, for

any sale, supply, transfer or export of these items and technologies, or for the provision of related technical training, services or assistance, directly or indirectly to any person, entity or body in, or for use in, Iran;

- (c) participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibition referred to in points (a) and (b).

3. The procurement by nationals of Member States, or using their flagged vessels or aircraft, of the items, materials, equipment, goods and technology referred to in paragraph 1 from Iran shall be prohibited, whether or not originating in the territory of Iran.

#### *Article 2*

1. The direct or indirect supply, sale or transfer to, or for the use in, or benefit of, Iran, by nationals of Member States or through the territories of Member States, or using their flag vessels or aircraft, of items, materials, equipment, goods and technology, including software, not covered by Article 1, that could contribute to enrichment related, reprocessing or heavy water related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding, shall be subject to authorisation on a case by case basis by the competent authorities of the exporting Member State. The European Community shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. The provision of:

- (a) technical assistance or training, investment, or brokering services related to items, materials, equipment, goods and technology set out in paragraph 1 and to the provision, manufacture, maintenance and use of these items, directly or indirectly, to any person, entity or body in, or for use in, Iran;
- (b) financing or financial assistance related to items and technologies referred to in paragraph 1, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of these items, or for the provision of related technical training, services or assistance, directly or indirectly to any person, entity or body in, or for use in, Iran;

shall also be subject to an authorisation of the competent authority of the exporting Member State.

3. The competent authorities of the Member States shall not grant any authorisation for any supply, sale or transfer of the items, materials, equipment, goods and technology referred to in paragraph 1 if they determine that the sale, supply, transfer or export concerned or the provision of the service concerned would contribute to the activities referred to in paragraph 1.

#### Article 3

The measures imposed by Article 1(1) and (2) shall not apply where the Committee determines in advance and on a case by case basis that such supply, sale, transfer or provision of such items or assistance would clearly not contribute to the development of Iran's technologies in support of its proliferation sensitive nuclear activities and of development of nuclear weapon delivery systems, including where such items or assistance are for food, agricultural, medical or other humanitarian purposes, provided that:

- (a) contracts for delivery of such items or assistance include appropriate end user guarantees; and
- (b) Iran has committed not to use such items in proliferation sensitive nuclear activities or for development of nuclear weapon delivery systems.

#### Article 4

1. Member States shall take the necessary measures to prevent the entry into, or transit through, their territories of:

- (a) persons listed in the Annex to UNSCR 1737 (2006) as well as of additional persons designated by the Security Council or by the Committee in accordance with paragraph 10 of UNSCR 1737 (2006). These persons are listed in Annex I;
- (b) other persons not covered by Annex I that are engaged in, directly associated with, or providing support for, Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, as listed in Annex II.

2. Paragraph 1 shall not oblige a Member State to refuse its own nationals entry into its territory.

3. Paragraph 1 shall be without prejudice to cases where a Member State is bound by an obligation of international law, namely:

- (i) as a host country of an international intergovernmental organisation;
- (ii) as a host country to an international conference convened by, or under the auspices of, the United Nations;
- (iii) under a multilateral agreement conferring privileges and immunities;
- (iv) under the 1929 Treaty of Conciliation (Lateran pact) concluded by the Holy See (State of the Vatican City) and Italy.

4. Paragraph 3 shall be considered as applying also in cases where a Member State is host country of the Organisation for Security and Cooperation in Europe (OSCE).

5. The Council shall be duly informed in all cases where a Member State grants an exemption pursuant to paragraph 3 or 4.

6. Member States may grant exemptions from the measures imposed in paragraph 1 where they determine that travel is justified on the grounds of:

- (i) urgent humanitarian need, including religious obligations,
- (ii) the necessity to meet the objectives of UNSCR 1737 (2006), including where Article XV of the IAEA Statute is engaged,
- (iii) attending intergovernmental meetings, including those promoted by the European Union, or hosted by a Member State holding the Chairmanship in office of the OSCE, where a political dialogue is conducted that directly promotes democracy, human rights and the rule of law in Iran.

7. A Member State wishing to grant exemptions referred to in paragraph 6 shall notify the Council thereof in writing. The exemption shall be deemed to be granted unless one or more of the Council Members raises an objection in writing within two working days of receiving notification of the proposed exemption. Should one or more of the Council members raise an objection, the Council, acting by a qualified majority, may decide to grant the proposed exemption.

8. In cases where, pursuant to paragraphs 3, 4 and 6, a Member State authorises the entry into, or transit through, its territory of persons listed in Annex I or II, the authorisation shall be limited to the purpose for which it is given and to the persons concerned thereby.

9. Member States shall notify the Committee of the entry into, or transit through, their territories of the persons set out in Annex I, if an exemption has been granted.

#### Article 5

1. All funds and economic resources which belong to, are owned, held or controlled, directly or indirectly, by:

(a) persons and entities designated in the Annex to UNSCR 1737 (2006) as well as those of additional persons and entities designated by the Security Council or by the Committee in accordance with Paragraph 12 of UNSCR 1737 (2006), such persons or entities being listed in Annex I,

(b) persons and entities not covered by Annex I that are engaged in, directly associated with, or providing support for, Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, or persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, including through illicit means, as listed in Annex II,

shall be frozen.

2. No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of persons and entities referred to in paragraph 1.

3. Exemptions may be made for funds and economic resources which are:

(a) necessary to satisfy basic needs, including payment for food stuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;

(b) intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services;

(c) intended exclusively for payment of fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds and economic resources,

after notification by the Member State concerned to the Committee of the intention to authorise, where appropriate, access to such funds and economic resources and in the absence of a negative decision by the Committee within five working days of such notification.

4. Exemptions may also be made for funds and economic resources which are:

(a) necessary for extraordinary expenses, after notification by the Member State concerned to, and approval by, the Committee,

(b) the subject of a judicial, administrative or arbitral lien or judgement, in which case the funds and economic resources may be used to satisfy that lien or judgement provided that the lien or judgement was entered before the date of UNSCR 1737 (2006), and is not for the benefit of a person or entity referred to in paragraph 1, after notification by the Member State concerned to the Committee.

5. Paragraph 2 shall not apply to the addition to frozen accounts of:

(a) interest or other earnings on those accounts; or

(b) payments to frozen accounts due under contracts, agreements or obligations that were concluded or arose before 23 December 2006,

provided that any such interest, other earnings and payments continue to be subject to paragraph 1.

6. Paragraph 1 shall not prevent a designated person or entity from making payment due under a contract entered into before the listing of such a person or entity, provided that the relevant Member State has determined that:

(a) the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services referred to in Article 1;

(b) the payment is not directly or indirectly received by a person or entity referred to in paragraph 1;

and after notification by the relevant Member State to the Committee of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds or economic resources for this purpose, 10 working days prior to such authorisation.

#### Article 6

Member States shall, in accordance with their national legislation, take the necessary measures to prevent specialised teaching or training of Iranian nationals, within their territories or by their nationals, of disciplines which would contribute to Iran's proliferation sensitive nuclear activities and development of nuclear weapon delivery systems.

#### Article 7

1. The Council shall implement modifications to Annex I on the basis of the determinations made by the Security Council or by the Committee.

2. The Council, acting by unanimity upon proposals of Member States or the Commission, shall establish the list in Annex II and adopt modifications thereto.

#### Article 8

1. This Common Position shall be reviewed, amended or repealed as appropriate, notably in the light of relevant decisions by the UNSC.

2. The measures referred to in Articles 4 (1)(b) and 5(1)(b) shall be reviewed in regular intervals and at least every 12 months. They shall cease to apply in respect of the persons and entities concerned if the Council determines, in accordance with the procedure referred in Article 7(2), that the conditions for their application are no longer met.

#### Article 9

This Common Position shall take effect on the date of its adoption.

#### Article 10

This Common Position shall be published in the *Official Journal of the European Union*.

Done at Brussels, 27 February 2007.

For the Council  
The President  
P. STEINBRÜCK

## ANNEX I

**List of persons referred to in Article 4(1)(a) and of persons and entities referred to in Article 5(1)(a)**

## A. Natural Persons

1. Mohammad Qannadi, AEOI Vice President for Research & Development
2. Behman Asgarpour, Operational Manager (Arak)
3. Dawood Agha Jani, Head of the PFEP (Natanz)
4. Ehsan Monajemi, Construction Project Manager, Natanz
5. Jafar Mohammadi, Technical Adviser to the AEOI (in charge of managing the production of valves for centrifuges)
6. Ali Hajinia Leilabadi, Director General of Mesbah Energy Company
7. Lt Gen. Mohammad Mehdi Nejad Nouri, Rector of Malek Ashtar University of Defence Technology (chemistry dept, affiliated to MODALF, has conducted experiments on beryllium)
8. Gen. Hosein Salimi, Commander of the Air Force, IRGC (Pasdaran)
9. Ahmad Vahid Dastjerdi, Head of the AIO
10. Reza Gholi Esmaeli, Head of Trade & International Affairs Dept, AIO
11. Bahmanyar Morteza Bahmanyar, Head of Finance & Budget Dept, AIO
12. Maj. Gen. Yahya Rahim Safavi, Commander, IRGC (Pasdaran)

## B. Entities

1. Atomic Energy Organisation of Iran
2. Mesbah Energy Company (provider for A40 research reactor — Arak)
3. Kala Electric (aka Kalaye Electric) (provider for PFEP — Natanz)
4. Pars Trash Company (involved in centrifuge programme, identified in IAEA reports)
5. Farayand Technique (involved in centrifuge programme, identified in IAEA reports)
6. Defence Industries Organisation (overarching MODAFL controlled entity, some of whose subordinates have been involved in the centrifuge programme making components, and in the missile programme)
7. 7th of Tir (subordinate of DIO, widely recognized as being directly involved in the nuclear programme)
8. Shahid Hemmat Industrial Group (SHIG) (subordinate entity of AIO)
9. Shahid Bagheri Industrial Group (SBIG) (subordinate entity of AIO)
10. Fajr Industrial Group (formerly Instrumentation Factory Plant, subordinate entity of AIO)

*ANNEX II*

**List of persons referred to in Article 4(1)(b) and of persons and entities referred to in Article 5(1)(b)**

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**COUNCIL COMMON POSITION 2007/246/CFSP****of 23 April 2007****amending Common Position 2007/140/CFSP concerning restrictive measures against Iran**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 15 thereof,

Whereas:

- (1) On 27 February 2007 the Council of the European Union adopted Common Position 2007/140/CFSP<sup>(1)</sup> concerning restrictive measures against Iran which implemented the United Nations Security Council Resolution 1737 (2006) ('UNSCR 1737 (2006)').
- (2) On 24 March 2007 the United Nations Security Council adopted Resolution 1747 (2007) ('UNSCR 1747 (2007)') that widened the scope of the restrictive measures imposed by UNSCR 1737 (2006).
- (3) UNSCR 1747 (2007) prohibits the procurement of arms and related materiel from Iran.
- (4) UNSCR 1747 (2007) furthermore calls upon all States to exercise vigilance and restraint in the direct or indirect supply, sale or transfer to Iran of conventional weapons as defined for the purpose of the United Nations Register on Conventional Arms as well as in the provision of technical assistance or training, financial assistance, investment, brokering or other services, and in the transfer of financial resources or services related to the supply, sale transfer, manufacture or use of such items in order to prevent a destabilising accumulation of arms. In line with these objectives of UNSCR 1747 (2007) as well as with the EU policy not to sell arms to Iran, the Council considers it appropriate to prohibit the supply, sale or transfer to Iran of all arms and related materiel, as well as the provision of related assistance, investment and services.
- (5) UNSCR 1747 (2007) extends financial and travel sanctions imposed by UNSCR 1737 (2006) to additional persons and entities engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems.
- (6) UNSCR 1747 (2007) furthermore calls upon all States and international financial institutions not to enter into new commitments for grants, financial assistance and concessional loans to the Government of Iran, except for humanitarian and developmental purposes.
- (7) The Council has also identified persons and entities that fulfil the criteria set out in Articles 4(1)(b) and 5(1)(b) of Common Position 2007/140/CFSP. These persons and entities should therefore be listed in Annex II of that Common Position.
- (8) Common Position 2007/140/CFSP should be amended accordingly.
- (9) Action by the Community is needed in order to implement certain measures,

HAS ADOPTED THIS COMMON POSITION:

*Article 1*

Common Position 2007/140/CFSP is hereby amended as follows:

1. in Article 1(1), the following subparagraph (c) shall be added:

'(c) arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, para military equipment and spare parts for the aforementioned. This prohibition shall not apply to non combat vehicles which have been manufactured or fitted with materials to provide ballistic protection, intended solely for protective use of personnel of the EU and its Member States in Iran.';

<sup>(1)</sup> OJ L 61, 28.2.2007, p. 49.

2. the following Article shall be inserted:

*Article 2*

This Common Position shall take effect on the date of its adoption.

*Article 3a*

Member States shall not enter into new commitments for grants, financial assistance and concessional loans to the Government of Iran, including through their participation in international financial institutions, except for humanitarian and developmental purposes.;

*Article 3*

This Common Position shall be published in the *Official Journal of the European Union*.

Done at Luxembourg, 23 April 2007.

3. Annexes I and II shall be replaced by the text appearing in Annexes I and II to this Common Position.

*For the Council*

*The President*

F. W. STEINMEIER

## ANNEX I

**List of persons referred to in Article 4(1)(a) and of persons and entities referred to in Article 5(1)(a)****A. ENTITIES**

- (1) Ammunition and Metallurgy Industries Group (AMIG) (alias Ammunition Industries Group). Other information: AMIG controls 7th of Tir, which is designated under UNSCR 1737 (2006) for its role in Iran's centrifuge programme. AMIG is in turn owned and controlled by the Defence Industries Organisation (DIO), which is designated under UNSCR 1737 (2006).
- (2) Atomic Energy Organisation of Iran (AEOI). Other information: involved in Iran's nuclear programme.
- (3) Bank Sepah and Bank Sepah International. Other information: Bank Sepah provides support for the Aerospace Industries Organisation (AIO) and subordinates, including Shahid Hemmat Industrial Group (SHIG) and Shahid Bagheri Industrial Group (SBIG), both of which were designated under UNSCR 1737 (2006).
- (4) Cruise Missile Industry Group (alias Naval Defence Missile Industry Group). Other information: production and development of cruise missiles. Responsible for naval missiles including cruise missiles.
- (5) Defence Industries Organisation (DIO). Other information: (a) overarching MODAFL controlled entity, some of whose subordinates have been involved in the centrifuge programme making components, and in the missile programme, (b) involved in Iran's nuclear programme.
- (6) Esfahan Nuclear Fuel Research and Production Centre (NFRPC) and Esfahan Nuclear Technology Centre (ENTC). Other information: these are parts of AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment related activities. AEOI is designated under UNSCR 1737 (2006).
- (7) Fajr Industrial Group. Other information: (a) formerly Instrumentation Factory Plant, (b) subordinate entity of AIO, (c) involved in Iran's ballistic missile programme.
- (8) Farayand Technique. Other information: (a) involved in Iran's nuclear programme (centrifuge programme), (b) identified in reports from the International Atomic Energy Agency (IAEA).
- (9) Kala Electric (alias Kalaye Electric). Other information: (a) provider for PFEP — Natanz, (b) Involved in Iran's nuclear programme.
- (10) Karaj Nuclear Research Centre. Other information: part of AEOI's research division.
- (11) Kavoshyar Company. Other information: subsidiary company of AEOI, which has sought glass fibres, vacuum chamber furnaces and laboratory equipment for Iran's nuclear programme.
- (12) Mesbah Energy Company. Other information: (a) provider for A40 research reactor — Arak, (b) involved in Iran's nuclear programme.
- (13) Novin Energy Company (alias Pars Novin). Other information: it operates within AEOI and has transferred funds on behalf of AEOI to entities associated with Iran's nuclear programme.
- (14) Parchin Chemical Industries. Other information: branch of DIO, which produces ammunition, explosives, as well as solid propellants for rockets and missiles.
- (15) Pars Aviation Services Company. Other information: this company maintains various aircraft including MI 171, used by Iranian Revolutionary Guard Corps (IRGC) Air Force.
- (16) Pars Trash Company. Other information: (a) involved in Iran's nuclear programme (centrifuge programme), (b) identified in IAEA reports.

- (17) Qods Aeronautics Industries. Other information: it produces unmanned aerial vehicles (UAVs), parachutes, para gliders, para motors, etc. IRGC has boasted of using these products as part of its asymmetric warfare doctrine.
- (18) Sanam Industrial Group. Other information: subordinate to AIO, which has purchased equipment on AIO's behalf for the missile programme.
- (19) 7th of Tir. Other information: (a) subordinate of DIO, widely recognised as being directly involved in Iran's nuclear programme, (b) involved in Iran's nuclear programme.
- (20) Shahid Bagheri Industrial Group (SBIG). Other information: (a) subordinate entity of AIO, (b) involved in Iran's ballistic missile programme.
- (21) Shahid Hemmat Industrial Group (SHIG). Other information: (a) subordinate entity of AIO, (b) involved in Iran's ballistic missile programme.
- (22) Sho'a' Aviation. Other information: it produces micro lights which IRGC has claimed it is using as part of its asymmetric warfare doctrine.
- (23) Ya Mahdi Industries Group. Other information: subordinate to AIO, which is involved in international purchases of missile equipment.

## B. NATURAL PERSONS

- (1) Fereidoun **Abbasi Davani**. Other information: Senior Ministry of Defence and Armed Forces Logistics (MODAFL) scientist with links to the Institute of Applied Physics, working closely with Mohsen Fakhrizadeh Mahabadi.
- (2) Dawood **Agha Jani**. Function: Head of the PFEP (Natanz). Other information: person involved in Iran's nuclear programme.
- (3) Ali Akbar **Ahmadian**. Title: Vice Admiral. Function: Chief of Iranian Revolutionary Guard Corps (IRGC) Joint Staff.
- (4) Behman **Asgarpour**. Function: Operational Manager (Arak). Other information: person involved in Iran's nuclear programme.
- (5) Bahmanyar Morteza **Bahmanyar**. Function: Head of Finance & Budget Dept, AIO. Other information: person involved in Iran's ballistic missile programme.
- (6) Ahmad Vahid **Dastjerdi**. Function: Head of the AIO. Other information: person involved in Iran's ballistic missile programme.
- (7) Ahmad **Derakhshandeh**. Function: Chairman and Managing Director of Bank Sepah. Other information: Bank Sepah provides support for the AIO and subordinates, including SHIG and SBIG, both of which were designated under UNSCR 1737 (2006).
- (8) Reza Gholi **Esmaeli**. Function: Head of Trade & International Affairs Dept, AIO. Other information: person involved in Iran's ballistic missile programme.
- (9) Mohsen **Fakhrizadeh Mahabadi**. Other information: Senior MODAFL scientist and former head of the Physics Research Centre (PHRC). IAEA has asked to interview him about the activities of the PHRC over the period he was head, but Iran has refused.
- (10) Mohammad **Hejazi**. Title: Brigadier General. Function: Commander of Bassij resistance force.
- (11) Mohsen **Hojati**. Function: Head of Fajr Industrial Group. Other information: Fajr Industrial Group is designated under UNSCR 1737 (2006) for its role in the ballistic missile programme.

- (12) Mehrdada Akhlaghi **Ketabachi**. Function: Head of SBIG. Other information: SBIG is designated under UNSCR 1737 (2006) for its role in the ballistic missile programme.
- (13) Ali Hajinia **Leilabadi**. Function: Director General of Mesbah Energy Company. Other information: person involved in Iran's nuclear programme.
- (14) Naser **Maleki**. Function: Head of SHIG. Other information: SHIG is designated under UNSCR 1737 (2006) for its role in Iran's ballistic missile programme. Naser Maleki is also a MODAFL official overseeing work on the Shahab 3 ballistic missile programme. The Shahab 3 is Iran's long range ballistic missile currently in service.
- (15) Jafar **Mohammadi**. Function: Technical Adviser to the AEOI (in charge of managing the production of valves for centrifuges). Other information: person involved in Iran's nuclear programme.
- (16) Ehsan **Monajemi**. Function: Construction Project Manager, Natanz. Other information: person involved in Iran's nuclear programme.
- (17) Mohammad Mehdi Nejad **Nouri**. Title: Lt Gen. Function: Rector of Malek Ashtar University of Defence Technology. Other information: The chemistry department of Ashtar University of Defence Technology is affiliated to MODALF and has conducted experiments on beryllium. Person involved in Iran's nuclear programme.
- (18) Mohammad **Qannadi**. Function: AEOI Vice President for Research & Development. Other information: Person involved in Iran's nuclear programme.
- (19) Amir **Rahimi**. Function: Head of Esfahan Nuclear Fuel Research and Production Centre. Other information: Esfahan Nuclear Fuel Research and Production Centre is part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment related activities.
- (20) Morteza **Rezaie**. Title: Brigadier General. Function: Deputy Commander of IRGC.
- (21) Morteza **Safari**. Title: Rear Admiral. Function: Commander of IRGC Navy.
- (22) Yahya Rahim **Safavi**. Title: Maj. Gen. Function: Commander, IRGC (Pasdaran). Other information: person involved in both Iran's nuclear and ballistic missile programmes.
- (23) Seyed Jaber **Safdari**. Other information: Manager of the Natanz Enrichment Facilities.
- (24) Hosein **Salimi**. Title: General. Function: Commander of the Air Force, IRGC (Pasdaran). Other information: person involved in Iran's ballistic missile programme.
- (25) Qasem **Soleimani**. Title: Brigadier General. Function: Commander of Qods force.
- (26) Mohammad Reza **Zahedi**. Title: Brigadier General. Function: Commander of IRGC Ground Forces.
- (27) General **Zolqadr**. Function: Deputy Interior Minister for Security Affairs, IRGC officer.'

## ANNEX II

## 'A. Natural persons

	Name	Identifying information	Reasons
1.	Reza AGHAZADEH	DoB: 15.3.1949 Passport number: S4409483 valid 26.4.2000 27.4.2010 Issued: Tehran Place of birth: Khoy	Head of the Atomic Energy Organisation of Iran (AEOI). The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).
2.	Amir Moayyed ALAI		Involved in managing the assembly and engineering of centrifuges. Iran is required by the IAEA Board and Security Council to suspend all enrichment related activities. This includes all centrifuge related work. On 27 August 2006, Alai received a special award from President Ahmadinejad for his role in managing the assembly and engineering of centrifuges.
3.	Mohammed Fedai ASHIANI		Involved in the production of ammonium uranyl carbonate (AUC) and the management of the Natanz enrichment complex. Iran is required to suspend all enrichment related activities. On 27 August 2006, Ashiani received a special award from President Ahmadinejad for his role in the AUC production process and for his role in the management and engineering design for the enrichment complex at Natanz (Kashan) site.
4.	Haleh BAKHTIAR		Involved in the production of magnesium at a concentration of 99,9 %. On 27 August 2006, Bakhtiar received a special award from President Ahmadinejad for her role in producing magnesium at a concentration of 99,9 %. Magnesium of this purity is used to produce uranium metal, which can be cast into material for a nuclear weapon. Iran has refused to provide the IAEA access to a document on the production of uranium metal hemispheres, only applicable for nuclear weapons use.
5.	Morteza BEHZAD		Involved in making centrifuge components. Iran is required to suspend all enrichment related activities. This includes all centrifuge related work. On 27 August 2006, Behzad received a special award from President Ahmadinejad for his role making complex and sensitive centrifuge components.
6.	Dr Hoseyn (Hossein) FAQIHIAN	Address of NFPC: AEOI NFPC, PO Box: 11365 8486, Tehran/Iran	Deputy and Director General of the Nuclear Fuel Production and Procurement Company (NFPC), part of the AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006). The NFPC involved in enrichment related activities that Iran is required by the IAEA Board and Security Council to suspend.

	Name	Identifying information	Reasons
7.	Seyyed Hussein (Hossein) HUSSEINI (HOSSEINI)		AEOI official involved in the heavy water research reactor (IR40) project at Arak. UNSCR 1737 (2006) required Iran to suspend all work on heavy water related projects.
8.	M. Javad KARIMI SABET		Head of the Novin Energy Company. In August 2006 Karimi Sabet received an award from President Ahmadinejad for his role in designing, producing, installing and commissioning nuclear equipment at the Natanz site.
9.	Said Esmail KHALILIPOUR		Deputy Head of AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).
10.	Ali Reza KHANCHI	Address of NRC: AEOI NRC PO Box: 11365 8486 Tehran/Iran Fax: (+9821) 8021412	Head of AEOI's Tehran Nuclear Research Centre. The IAEA is continuing to seek clarification from Iran about plutonium separation experiments carried out at the TNRC, including about the presence of HEU particles in environmental samples taken at the Karaj Waste Storage Facility where containers used to store depleted uranium targets used in those experiments are located. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).
11.	Hamid Reza MOHAJERANI		Involved in production management at the Uranium Conversion Facility (UCF) at Esfahan. On 27 August 2006, Mohajerani received a special award from President Ahmadinejad for his role in production management at the UCF and in planning, building and installing the UF <sub>6</sub> unit (UF <sub>6</sub> is the feed material for enrichment).
12.	Houshang NOBARI		Involved in the management of the Natanz enrichment complex. Iran is required by the IAEA Board and Security Council to suspend all enrichment related activities. These include activities at the enrichment complex at Natanz (Kashan). On 27 August 2006, Nobari received a special award from President Ahmadinejad for his role in the successful management and execution of the Natanz (Kashan) site plan.
13.	Dr Javad RAHIQI		Head of AEOI's Esfahan Nuclear Technology Centre. This oversees the uranium conversion plant at Esfahan. Iran is required by the IAEA Board and the Security Council to suspend all enrichment related activities. This includes all uranium conversion work. AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).

	Name	Identifying information	Reasons
14.	Abbas RASHIDI		Involved in enrichment work at Natanz. Iran is required by the IAEA Board and Security Council to suspend all enrichment related activities. On 27 August 2006, Rashidi received a special award from President Ahmadinejad for his management and notable role in the successful operation of the 164 centrifuge enrichment cascade at Natanz.
15.	Abdollah SOLAT SANA		Managing Director of the Uranium Conversion Facility (UCF) in Esfahan. This is the facility that produces the feed material (UF <sub>6</sub> ) for the enrichment facilities at Natanz. On 27 August 2006, Solat Sana received a special award from President Ahmadinejad for his role.

#### B. Entities

	Name	Identifying information	Reasons
1.	Aerospace Industries Organisation, AIO	AIO, 28 Shian 5, Lavizan, Tehran	AIO oversees Iran's production of missiles, including Shahid Hemmat Industrial Group, Shahid Bagheri Industrial Group and Fajr Industrial Group, which were all designated under UNSCR 1737 (2006). The head of AIO and two other senior officials were also designated under UNSCR 1737 (2006).
2.	Armament Industries	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO (Defence Industries Organisation).
3.	Defence Technology and Science Research Centre (DTSRC) — also known as the Educational Research Institute/Moassese Amozeh Va Tahgiaghati (ERI/MAVT Co.)	Pasdaran Av., PO Box 19585/777, Tehran	Responsible for R&D. A subsidiary of the DIO. The DTSRC handles much of the procurement for the DIO.
4.	Jaber Ibn Hayan	AEOI JIHRD PO Box: 11365 8486; Tehran; 84, 20th Av. Entehaye Karegar Shomali Street; Tehran	Jaber Ibn Hayan is an AEOI (Atomic Energy Organisation of Iran) laboratory involved in fuel cycle activities. Located within the Tehran Nuclear Research Centre (TNRC), it was not declared by Iran under its safeguards agreement prior to 2003, although conversion work was being carried out there.
5.	Marine Industries	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO.

	Name	Identifying information	Reasons
6.	Nuclear Fuel Production and Procurement Company (NFPC)	AEOI NFPD, PO Box: 11365 8486, Tehran/Iran	Nuclear Fuel Production Division (NFPD) of AEOI is research and development in the field of nuclear fuel cycle including: uranium exploration, mining, milling, conversion and nuclear waste management. The NFPC is the successor to the NFPD, the subsidiary company under the AEOI that runs research and development in the nuclear fuel cycle including conversion and enrichment.
7.	Special Industries Group	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO.
8.	TAMAS Company		TAMAS is involved in enrichment related activities, which Iran is required by the IAEA Board and Security Council to suspend. TAMAS is the overarching body, under which four subsidiaries have been established, including one doing uranium extraction to concentration and another in charge of uranium processing, enrichment and waste.'

**COUNCIL COMMON POSITION 2008/652/CFSP**

**of 7 August 2008**

**amending Common Position 2007/140/CFSP concerning restrictive measures against Iran**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 15 thereof,

Whereas:

- (1) On 27 February 2007 the Council of the European Union adopted Common Position 2007/140/CFSP<sup>(1)</sup> which implemented United Nations Security Council Resolution 1737 (2006) (UNSCR 1737 (2006)).
- (2) On 23 April 2007 the Council adopted Common Position 2007/246/CFSP<sup>(2)</sup> which implemented United Nations Security Council Resolution 1747 (2007) (UNSCR 1747 (2007)).
- (3) On 3 March 2008 the United Nations Security Council adopted Resolution 1803 (2008) (UNSCR 1803 (2008)) which widened the scope of the restrictive measures imposed by UNSCR 1737 (2006) and UNSCR 1747 (2007) and required all States to take the necessary measures to implement those provisions effectively.
- (4) On 23 June 2008 the Council adopted Common Position 2008/479/CFSP which identified additional persons and entities to be covered by the restrictions on admission and the freezing of funds.
- (5) UNSCR 1803 (2008) calls upon all States to exercise vigilance in entering into new commitments for public provided financial support for trade with Iran, in order to avoid such financial support contributing to proliferation sensitive nuclear activities or to the development of nuclear weapon delivery systems.
- (6) For the same reasons, UNSCR 1803 (2008) also calls upon all States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, and their branches and subsidiaries abroad, in order to avoid such activities contributing to proliferation sensitive nuclear activities or to
- the development of nuclear weapon delivery systems. With a view to exercising such vigilance, certain provisions in this Common Position relate to Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing<sup>(3)</sup>.
- (7) UNSCR 1803 (2008) welcomes the guidance issued by the Financial Action Task Force (FATF) to assist States in implementing their financial obligations under UNSCR 1737 (2006).
- (8) UNSCR 1803 (2008) furthermore calls upon all States, in accordance with their national legal authorities and legislation and consistent with international law, to inspect the cargoes to and from Iran, of aircraft and vessels, at their airports and seaports, owned or operated by Iran Air Cargo and Islamic Republic of Iran Shipping Line, provided there are reasonable grounds to believe that the aircraft or vessel is transporting prohibited goods.
- (9) UNSCR 1803 (2008) extends restrictive measures to additional persons and entities that are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, or have been determined by the Security Council or the Sanctions Committee to have assisted designated persons and entities in evading sanctions of, or in violating the provisions of, UNSCR 1737 (2006), 1747 (2007) or 1803 (2008).
- (10) The necessary measures should also be taken to ensure that no compensation is granted to the Government of Iran, or to any person or entity in Iran, or to designated persons or entities, or to any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the measures decided on pursuant to UNSCR 1737 (2006), 1747 (2007) or 1803 (2008), including measures of the European Communities or any Member State in accordance with, as required by or in any connection with the implementation of the relevant decisions of the Security Council.

<sup>(1)</sup> OJ L 61, 28.2.2007, p. 49. Common Position as last amended by Common Position 2008/479/CFSP (OJ L 163, 24.6.2008, p. 43).

<sup>(2)</sup> Council Common Position 2007/246/CFSP of 23 April 2007 amending Common Position 2007/140/CFSP concerning restrictive measures against Iran (OJ L 106, 24.4.2007, p. 67).

<sup>(3)</sup> OJ L 309, 25.11.2005, p. 15. Directive as last amended by Directive 2008/20/EC (OJ L 76, 19.3.2008, p. 46).

- (11) Furthermore, it is appropriate to prohibit the supply, sale or transfer to Iran of certain items, materials, equipment, goods and technology, in addition to those determined by the Security Council or the Sanctions Committee, that could contribute to Iran's enrichment related, reprocessing or heavy water related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the International Atomic Energy Agency (IAEA) has expressed concerns or identified as outstanding.
- (12) Common Position 2007/140/CFSP should be amended accordingly.
- (13) Action by the Community is needed in order to implement certain measures,

HAS ADOPTED THIS COMMON POSITION:

*Article 1*

Common Position 2007/140/CFSP is hereby amended as follows:

1. in Article 1(1), the following point shall be added:

'(d) certain other items, materials, equipment, goods and technology that could contribute to enrichment related, reprocessing or heavy water related activities, to the development of nuclear weapon delivery system or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding. The European Community shall take the necessary measures in order to determine the relevant items to be covered by this provision.;

2. Article 3a shall be replaced by the following:

*'Article 3a*

1. Member States shall not enter into new commitments for grants, financial assistance and concessional loans to the Government of Iran, including through their participation in international financial institutions, except for humanitarian and developmental purposes.

2. In order to avoid any financial support contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, Member States shall exercise restraint in entering into new commitments for public provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to their nationals or entities involved in such trade.;

3. the following Article shall be inserted:

*'Article 3b*

1. Member States shall exercise vigilance over the activities of financial institutions within their jurisdiction with:

- (a) banks domiciled in Iran, in particular with Bank Saderat;
- (b) branches and subsidiaries within the jurisdiction of the Member States of banks domiciled in Iran, as listed in Annex III;
- (c) branches and subsidiaries outside the jurisdiction of the Member States of banks domiciled in Iran, as listed in Annex IV;
- (d) financial entities that are neither domiciled in Iran nor within the jurisdiction of the Member States but are controlled by persons and entities domiciled in Iran, as listed in Annex IV;

in order to avoid such activities contributing to proliferation sensitive nuclear activities or to the development of nuclear weapon delivery systems.

2. For the above purpose, financial institutions shall be required, in their activities with banks and financial institutions as set out in paragraph 1, to:

- (a) exercise continuous vigilance over account activity including through their programmes on customer due diligence and under their obligations relating to money laundering and financing of terrorism;
- (b) require that all information fields of payment instructions which relate to the originator and beneficiary of the transaction in question be completed; and if that information is not supplied, refuse the transaction;
- (c) maintain all records of transactions for a period of five years and make them available to national authorities on request;
- (d) if they suspect or have reasonable grounds to suspect that funds are related to proliferation financing, promptly report their suspicions to the Financial Intelligence Unit (FIU) or another competent authority designated by the Member State concerned. The FIU or such other competent authority shall have access, directly or indirectly, on a timely basis to the financial, administrative and law enforcement information that it requires to properly undertake this function, including the analysis of suspicious transaction reports.

3. Bank Saderat branches and subsidiaries within the jurisdiction of the Member States shall also be required to notify the competent authority of the Member State where they are established, of all transfers of funds carried out or received by them, within five working days after carrying out or receiving the respective transfer of funds.

Subject to information sharing arrangements, notified competent authorities shall without delay transmit this data, as appropriate, to the competent authorities of other Member States, where the counterparts to such transactions are established.;

4. the following Article shall be inserted:

*'Article 3c*

1. In addition to inspections to ensure implementation of the relevant provisions of UNSCR 1737 (2006), 1747 (2007) and 1803 (2008), and of the provisions of Article 1 of this Common Position, Member States, in accordance with their national legal authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, shall inspect at their airports and seaports the cargoes to and from Iran, of aircraft and vessels owned or operated by Iran Air Cargo and Islamic Republic of Iran Shipping Line, provided there are reasonable grounds to believe that the aircraft or vessel is transporting goods prohibited under this Common Position.

2. In cases when inspection mentioned in paragraph 1 is undertaken of cargoes of aircraft and vessels owned or operated by Iran Air Cargo and Islamic Republic of Iran Shipping Line, Member States shall submit to the United Nations Security Council within five working days a written report on the inspection containing, in particular, an explanation of the grounds for the inspection, as well as information on its time, place, circumstances, results and other relevant details.

3. Cargo aircraft and merchant vessels owned or controlled by Iran Air Cargo and Islamic Republic of Iran Shipping Line shall be subject to the requirement of additional pre arrival or pre departure information for all goods brought into or out of a Member State.;

5. in Article 4(1), point (b) shall be replaced by the following:

'(b) other persons not covered by Annex I that are engaged in, directly associated with, or providing support for, Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, as well as persons that have assisted designated persons or entities in evading or violating the provisions of UNSCR 1737 (2006), 1747 (2007) and 1803 (2008) or this Common Position, as listed in Annex II.;

6. Article 5(1) shall be replaced by the following:

'1. All funds and economic resources which belong to, are owned, held or controlled, directly or indirectly, by:

(a) persons and entities designated in the Annex to UNSCR 1737 (2006) as well as those of additional persons and entities designated by the Security Council or by the Committee in accordance with paragraph 12 of UNSCR 1737 (2006) and paragraph 7 of UNSCR 1803 (2008), such persons or entities being listed in Annex I;

(b) persons and entities not covered by Annex I that are engaged in, directly associated with, or providing support for, Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, or persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, including through illicit means as well as persons that have assisted designated persons or entities in evading or violating the provisions of UNSCR 1737 (2006), 1747 (2007) and 1803 (2008) or this Common Position, as listed in Annex II, shall be frozen.;

7. the following Article shall be inserted:

*'Article 6a*

No compensation or other claim of this kind, such as a claim of set off or a claim under a guarantee, in connection with any contract or transaction the performance of which was affected, directly or indirectly, wholly or in part, by reason of measures decided on pursuant to UNSCR 1737 (2006), 1747 (2007) or 1803 (2008), including measures of the European Communities or any Member State in accordance with, as required by or in any connection with the implementation of the relevant decisions of the Security Council, shall be granted to the designated persons or entities listed in Annexes I or II, or any other person or entity in Iran, including the Government of Iran, or any person or entity claiming through or for the benefit of any such person or entity.;

8. Article 7(2) shall be replaced by the following:

'2. The Council, acting by unanimity on a proposal from Member States or the Commission, shall establish the lists in Annexes II, III, and IV and adopt modifications to them.;

9. Annexes I and II shall be replaced by the text set out in Annexes I and II to this Common Position;

10. Annexes III and IV set out in this Common Position shall be added as Annexes III and IV to Common Position 2007/140/CFSP.

*Article 2*

This Common Position shall take effect on the date of its adoption.

*Article 3*

This Common Position shall be published in the *Official Journal of the European Union*.

Done at Brussels, 7 August 2008.

*For the Council*  
*The President*  
B. KOUCHNER

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## ANNEX I

## 'ANNEX I

**List of persons referred to in Article 4(1)(a) and of persons and entities referred to in Article 5(1)(a)****A. Natural persons**

- (1) Fereidoun Abbasi Davani. Date of UN designation: 24.3.2007. Other information: Senior Ministry of Defence and Armed Forces Logistics (MODAFL) scientist with links to the Institute of Applied Physics. Working closely with Mohsen Fakhrizadeh Mahabadi.
- (2) Dawood Agha Jani. Function: Head of the PFEP Natanz. Other information: Person involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (3) Ali Akbar Ahmadian. Title: Vice Admiral. Function: Chief of Iranian Revolutionary Guard Corps (IRGC) Joint Staff. Date of UN designation: 24.3.2007.
- (4) Amir Moayyed Alai. Other information: involved in managing the assembly and engineering of centrifuges. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (5) Behman Asgarpour. Function: Operational Manager (Arak). Other information: Person involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (6) Mohammad Fedai Ashiani. Other information: involved in the production of ammonium uranyl carbonate and management of the Natanz enrichment complex. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (7) Abbas Rezaee Ashtiani. Other information: a senior official at the AEOI Office of Exploration and Mining Affairs. Date of UN designation: 3.3.2008.
- (8) Bahmanyar Morteza Bahmanyar. Function: Head of Finance & Budget Dept, Aerospace Industries Organisation (AIO). Other information: Person involved in Iran's ballistic missile programme. Date of UN designation: 23.12.2006.
- (9) Haleh Bakhtiar. Other information: involved in the production of magnesium at a concentration of 99,9 %. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (10) Morteza Behzad. Other information: involved in making centrifuge components. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (11) Ahmad Vahid Dastjerdi. Function: Head of the Aerospace Industries Organisation (AIO). Other information: Person involved in Iran's ballistic missile programme. Date of UN designation: 23.12.2006.
- (12) Ahmad Derakhshandeh. Function: Chairman and Managing Director of Bank Sepah. Date of UN designation: 24.3.2007.
- (13) Mohammad Eslami. Title: Dr. Other information: Head of Defence Industries Training and Research Institute. Date of UN designation: 3.3.2008.
- (14) Reza Gholi Esmaeli. Function: Head of Trade & International Affairs Dept, Aerospace Industries Organisation (AIO). Other information: Person involved in Iran's ballistic missile programme. Date of UN designation: 23.12.2006.
- (15) Mohsen Fakhrizadeh Mahabadi. Other information: Senior MODAFL scientist and former head of the Physics Research Centre (PHRC). Date of UN designation: 24.3.2007.
- (16) Mohammad Hejazi. Title: Brigadier General. Function: Commander of Bassij resistance force. Date of UN designation: 24.3.2007.
- (17) Mohsen Hojati. Function: Head of Fajr Industrial Group. Date of UN designation: 24.3.2007.
- (18) Seyyed Hussein Hosseini. Other information: AEOI official involved in the heavy water research reactor project at Arak. Date of EU designation: 24.4.2007 (UN: 3.3.2008).

- (19) M. Javad Karimi Sabet. Other information: Head of Novin Energy Company, which is designated under resolution 1747 (2007). Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (20) Mehrdada Akhlaghi Ketabachi. Function: Head of Shahid Bagheri Industrial Group (SBIG). Date of UN designation: 24.3.2007.
- (21) Ali Hajinia Leilabadi. Function: Director General of Mesbah Energy Company. Other information: Person involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (22) Naser Maleki. Function: Head of Shahid Hemmat Industrial Group (SHIG). Other information: Naser Maleki is also a MODAFL official overseeing work on the Shahab 3 ballistic missile programme. The Shahab 3 is Iran's long range ballistic missile currently in service. Date of UN designation: 24.3.2007.
- (23) Hamid Reza Mohajerani. Other information: Involved in production management at the Uranium Conversion Facility (UCF) at Esfahan. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (24) Jafar Mohammadi. Function: Technical Adviser to the Atomic Energy Organisation of Iran (AEOI) (in charge of managing the production of valves for centrifuges). Other information: Person involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (25) Ehsan Monajemi. Function: Construction Project Manager, Natanz. Other information: Person involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (26) Mohammad Reza Naqdi. Title: Brigadier General. Other information: Former Deputy Chief of Armed Forces General Staff for Logistics and Industrial Research/Head of State Anti Smuggling Headquarters, engaged in efforts to get round the sanctions imposed by UNSCR 1737 (2006) and 1747 (2007). Date of UN designation: 3.3.2008.
- (27) Houshang Nobari. Other information: Involved in the management of the Natanz enrichment complex. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (28) Mohammad Mehdi Nejad Nouri. Title: Lt Gen. Function: Rector of Malek Ashtar University of Defence Technology. Other information: The chemistry department of Ashtar University of Defence Technology is affiliated to MODALF and has conducted experiments on beryllium. Person involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (29) Mohammad Qannadi. Function: AEOI Vice President for Research & Development. Other information: Person involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (30) Amir Rahimi. Function: Head of Esfahan Nuclear Fuel Research and Production Center. Other information: Esfahan Nuclear Fuel Research and Production Center is part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment related activities. Date of UN designation: 24.3.2007.
- (31) Abbas Rashidi. Other information: Involved in enrichment work at Natanz. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (32) Morteza Rezaie. Title: Brigadier General. Function: Deputy Commander of IRGC. Date of UN designation: 24.3.2007.
- (33) Morteza Safari. Title: Rear Admiral. Function: Commander of IRGC Navy. Date of UN designation: 24.3.2007.
- (34) Yahya Rahim Safavi. Title: Maj Gen. Function: Commander, IRGC (Pasdaran). Other information: Person involved in both Iran's nuclear and ballistic missile programmes. Date of UN designation: 23.12.2006.
- (35) Seyed Jaber Safdari. Other information: Manager of the Natanz Enrichment Facilities. Date of UN designation: 24.3.2007.
- (36) Hosein Salimi. Title: General. Function: Commander of the Air Force, IRGC (Pasdaran). Other information: Person involved in Iran's ballistic missile programme. Date of UN designation: 23.12.2006.
- (37) Qasem Soleimani. Title: Brigadier General. Function: Commander of Qods force. Date of UN designation: 24.3.2007.

- (38) Ghasem Soleymani. Other information: Director of Uranium Mining Operations at the Saghand Uranium Mine. Date of UN designation: 3.3.2008.
- (39) Mohammad Reza Zahedi. Title: Brigadier General. Function: Commander of IRGC Ground Forces. Date of UN designation: 24.3.2007.
- (40) General Zolqadr. Function: Deputy Interior Minister for Security Affairs, IRGC officer. Date of UN designation: 24.3.2007.

#### B. Legal persons, entities and bodies

- (1) Abzar Boresh Kaveh Co. (*alias* BK Co.). Other information: Involved in the production of centrifuge components. Date of UN designation: 3.3.2008.
- (2) Ammunition and Metallurgy Industries Group (*alias* (a) AMIG, (b) Ammunition Industries Group). Other information: (a) AMIG controls 7th of Tir, (b) AMIG is owned and controlled by the Defence Industries Organisation (DIO). Date of UN designation: 24.3.2007.
- (3) Atomic Energy Organisation of Iran (AEOI). Other information: Involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (4) Bank Sepah and Bank Sepah International. Other information: Bank Sepah provides support for the Aerospace Industries Organisation (AIO) and subordinates, including Shahid Hemmat Industrial Group (SHIG) and Shahid Bagheri Industrial Group (SBIG). Date of UN designation: 24.3.2007.
- (5) Barzagani Tejarat Tavanmad Saccal companies. Other information: (a) Subsidiary of Saccal System companies, (b) this company tried to purchase sensitive goods for an entity listed in resolution 1737 (2006). Date of UN designation: 3.3.2008.
- (6) Cruise Missile Industry Group (*alias* Naval Defence Missile Industry Group). Date of UN designation: 24.3.2007.
- (7) Defence Industries Organisation (DIO). Other information: (a) Overarching MODAFL controlled entity, some of whose subordinates have been involved in the centrifuge programme making components, and in the missile programme, (b) Involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (8) Electro Sanam Company (*alias* (a) E. S. Co., (b) E. X. Co.). Other information: AIO front company, involved in the ballistic missile programme. Date of UN designation: 3.3.2008.
- (9) Esfahan Nuclear Fuel Research and Production Centre (NFRPC) and Esfahan Nuclear Technology Centre (ENTC). Other information: They are parts of the Atomic Energy Organisation of Iran's (AEOI) Nuclear Fuel Production and Procurement Company. Date of UN designation: 24.3.2007.
- (10) Ettehad Technical Group. Other information: AIO front company, involved in the ballistic missile programme. Date of UN designation: 3.3.2008.
- (11) Fajr Industrial Group. Other information: (a) Formerly Instrumentation Factory Plant, (b) Subordinate entity of AIO, (c) Involved in Iran's ballistic missile programme. Date of UN designation: 23.12.2006.
- (12) Farayand Technique. Other information: (a) Involved in Iran's nuclear programme (centrifuge programme), (b) Identified in IAEA reports. Date of UN designation: 23.12.2006.
- (13) Industrial Factories of Precision (IFP) Machinery (*alias* Instrumentation Factories Plant). Other information: Used by AIO for some acquisition attempts. Date of UN designation: 3.3.2008.
- (14) Jabber Ibn Hayan. Other information: AEOI laboratory involved in fuel cycle activities. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (15) Joza Industrial Co. Other information: AIO front company, involved in the ballistic missile programme. Date of UN designation: 3.3.2008.

- (16) Kala Electric (*alias* Kalaye Electric). Other information: (a) Provider for PFEP Natanz, (b) Involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (17) Karaj Nuclear Research Centre. Other information: Part of AEOI's research division. Date of UN designation: 24.3.2007.
- (18) Kavoshyar Company. Other information: Subsidiary company of AEOI. Date of UN designation: 24.3.2007.
- (19) Khorasan Metallurgy Industries. Other information: (a) subsidiary of the Ammunition Industries Group (AMIG) which depends on DIO, (b) involved in the production of centrifuge components. Date of UN designation: 3.3.2008.
- (20) Mesbah Energy Company. Other information: (a) Provider for A40 research reactor Arak, (b) Involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (21) Niru Battery Manufacturing Company. Other information: (a) Subsidiary of the DIO, (b) its role is to manufacture power units for the Iranian military including missile systems. Date of UN designation: 3.3.2008.
- (22) Novin Energy Company (*alias* Pars Novin). Other information: It operates within AEOI. Date of UN designation: 24.3.2007.
- (23) Parchin Chemical Industries. Other information: Branch of DIO. Date of UN designation: 24.3.2007.
- (24) Pars Aviation Services Company. Other information: Maintains aircraft. Date of UN designation: 24.3.2007.
- (25) Pars Trash Company. Other information: (a) Involved in Iran's nuclear programme (centrifuge programme), (b) Identified in IAEA reports. Date of UN designation: 23.12.2006.
- (26) Pishgam (Pioneer) Energy Industries. Other information: Has participated in construction of the Uranium Conversion Facility at Esfahan. Date of UN designation: 3.3.2008.
- (27) Qods Aeronautics Industries. Other information: It produces unmanned aerial vehicles (UAVs), parachutes, paragliders, paramotors, etc. Date of UN designation: 24.3.2007.
- (28) Sanam Industrial Group. Other information: Subordinate to AIO. Date of UN designation: 24.3.2007.
- (29) Safety Equipment Procurement (SEP). Other information: AIO front company, involved in the ballistic missile programme. Date of UN designation: 3.3.2008.
- (30) 7th of Tir. Other information: (a) Subordinate of DIO, widely recognised as being directly involved in Iran's nuclear programme, (b) Involved in Iran's nuclear programme. Date of UN designation: 23.12.2006.
- (31) Shahid Bagheri Industrial Group (SBIG). Other information: (a) Subordinate entity of AIO, (b) Involved in Iran's ballistic missile programme. Date of UN designation: 23.12.2006.
- (32) Shahid Hemmat Industrial Group (SHIG). Other information: (a) Subordinate entity of AIO, (b) Involved in Iran's ballistic missile programme. Date of UN designation: 23.12.2006.
- (33) Sho'a' Aviation. Other information: It produces microlights. Date of UN designation: 24.3.2007.
- (34) TAMAS Company. Other information: (a) Involved in enrichment related activities, (b) TAMAS is an overarching body, under which four subsidiaries have been established, including one for uranium extraction to concentration and another in charge of uranium processing, enrichment and waste. Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (35) Ya Mahdi Industries Group. Other information: Subordinate to AIO. Date of UN designation: 24.3.2007.'

## ANNEX II

## ANNEX II

## List of persons referred to in Article 4(1)(b) and of persons and entities referred to in Article 5(1)(b)

## A. Natural persons

	Name	Identifying information	Reasons	Date of listing
1.	Reza AGHAZADEH	DoB: 15.3.1949 Passport number: S4409483 valid 26.4.2000–27.4.2010 Issued: Tehran, Diplomatic passport number: D9001950, issued on 22.1.2008 valid until 21.1.2013, Place of birth: Khoy	Head of the Atomic Energy Organisation of Iran (AEOI). The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	24.4.2007
2.	IRGC Brigadier General Javad DARVISH VAND		MODAFL Deputy for Inspection. Responsible for all MODAFL facilities and installations.	24.6.2008
3.	IRGC Brigadier General Seyyed Mahdi FARAHI		Managing Director of the Defence Industries Organisation (DIO) which is designated under UNSCR 1737 (2006).	24.6.2008
4.	Dr Hoseyn (Hossein) FAQIHIAN	Address of NFPC: AEOI NFPD, P.O. Box: 11365 8486, Tehran/Iran	Deputy and Director General of the Nuclear Fuel Production and Procurement Company (NFPC), part of the AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006). The NFPC involved in enrichment related activities that Iran is required by the IAEA Board and Security Council to suspend.	24.4.2007
5.	Engineer Mojtaba HAERI		MODAFL Deputy for Industry. Supervisory role over AIO and DIO.	24.6.2008
6.	IRGC Brigadier General Ali HOSEYNITASH		Head of the General Department of the Supreme National Security Council and involved in formulating policy on the nuclear issue.	24.6.2008
7.	Mohammad Ali JAFARI, IRGC.		Holds a command post at the IRGC.	24.6.2008
8.	Mahmood JANNATIAN		Deputy Head of the Atomic Energy Organisation of Iran.	24.6.2008
9.	Said Esmail KHALILIPOUR	DoB: 24.11.1945, PoB: Langroud	Deputy Head of AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	24.4.2007

	Name	Identifying information	Reasons	Date of listing
10.	Ali Reza KHANCHI	Address of NRC: AEOI NRC P.O. Box: 11365 8486 Tehran/Iran; Fax: (+ 9821) 8021412	Head of AEOI's Tehran Nuclear Research Centre. The IAEA is continuing to seek clarification from Iran about plutonium separation experiments carried out at the TNRC, including about the presence of HEU particles in environmental samples taken at the Karaj Waste Storage Facility where containers used to store depleted uranium targets used in those experiments are located. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	24.4.2007
11.	Ebrahim MAHMUDZADEH		Managing Director of Iran Electronic Industries.	24.6.2008
12.	Brigadier General Beik MOHAMMADLU		MODAFL Deputy for Supplies and Logistics.	24.6.2008
13.	Anis NACCACHE		Administrator of Barzagani Tejarat Tavanmad Saccal companies; his company has attempted to procure sensitive goods for entities designated under Resolution 1737 (2006).	24.6.2008
14.	Brigadier General Mohammad NADERI		Head of Aerospace Industries Organisation (AIO), AIO has taken part in sensitive Iranian programmes.	24.6.2008
15.	IRGC Brigadier General Mostafa Mohammad NAJJAR		MODAFL Minister, responsible for all military programmes, including ballistic missiles programmes.	24.6.2008
16.	Dr Javad RAHIQI	DoB: 21.4.1954, PoB: Mashad	Head of AEOI's Esfahan Nuclear Technology Centre. This oversees the uranium conversion plant at Esfahan. Iran is required by the IAEA Board and the Security Council to suspend all enrichment related activities. This includes all uranium conversion work. AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	24.4.2007
17.	Rear Admiral Mohammad SHAFI RUDSARI		MODAFL Deputy for Coordination.	24.6.2008
18.	IRGC Brigadier General Ali SHAMSHIRI		MODAFL Deputy for Counter Intelligence, responsible for security of MODAFL personnel and Installations.	24.6.2008
19.	Abdollah SOLAT SANA		Managing Director of the Uranium Conversion Facility (UCF) in Esfahan. This is the facility that produces the feed material (UF <sub>6</sub> ) for the enrichment facilities at Natanz. On 27 August 2006, Solat Sana received a special award from President Ahmadinejad for his role.	24.4.2007
20.	IRGC Brigadier General Ahmad VAHIDI		Deputy Head of MODAFL.	24.6.2008

## B. Legal persons, entities and bodies

	Name	Identifying information	Reasons	Date of listing
1.	Aerospace Industries Organisation, AIO	AIO, 28 Shian 5, Lavizan, Tehran	AIO oversees Iran's production of missiles, including Shahid Hemmat Industrial Group, Shahid Bagheri Industrial Group and Fajr Industrial Group, which were all designated under UNSCR 1737 (2006). The head of AIO and two other senior officials were also designated under UNSCR 1737 (2006).	24.4.2007
2.	Armament Industries	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO (Defence Industries Organisation).	24.4.2007
3.	Armed Forces Geographical Organisation		Assessed to provide geospatial data for the Ballistic Missile programme.	24.6.2008
4.	Bank Melli,  Bank Melli Iran and all branches and subsidiaries including  (a) Melli Bank plc  (b) Bank Melli Iran Zao	Ferdowsi Avenue, PO Box 11365 171, Tehran  London Wall, 11th floor, London EC2Y 5EA, United Kingdom  Number 9/1, Ulitsa Mashkova, Moscow, 130064, Russia	Providing or attempting to provide financial support for companies which are involved in or procure goods for Iran's nuclear and missile programmes (AIO, SHIG, SBIG, AEOL, Novin Energy Company, Mesbah Energy Company, Kalaye Electric Company and DIO). Bank Melli serves as a facilitator for Iran's sensitive activities. It has facilitated numerous purchases of sensitive materials for Iran's nuclear and missile programmes. It has provided a range of financial services on behalf of entities linked to Iran's nuclear and missile industries, including opening letters of credit and maintaining accounts. Many of the above companies have been designated by UNSCRs 1737 (2006) and 1747 (2007).	24.6.2008
5.	Defence Technology and Science Research Centre (DTSRC) – also known as the Educational Research Institute/Moassese Amozeh Va Tahgiaghati (ERI/MAVT Co.)	Pasdaran Av., PO Box 19585/777, Tehran	Responsible for R&D. A subsidiary of the DIO. The DTSRC handles much of the procurement for the DIO.	24.4.2007
6.	Iran Electronic Industries	P.O. Box 18575 365, Tehran, Iran	Wholly owned subsidiary of MODAFL (and therefore a sister organisation to AIO, AvIO and DIO). Its role is to manufacture electronic components for Iranian weapons systems.	24.6.2008
7.	IRGC Air Force		Operates Iran's inventory of short and medium range ballistic missiles. The head of the IRGC air force was designated by UNSCR 1737 (2006).	24.6.2008
8.	Khatem ol Anbiya Construction Organisation	Number 221, North Falamak Zarafshan Intersection, 4th Phase, Shahkrak E Ghods, Tehran 14678, Iran	IRGC owned group of companies. Uses IRGC engineering resources for construction acting as prime contractor on major projects including tunnelling, assessed to support the Iranian ballistic missile and nuclear programmes.	24.6.2008
9.	Malek Ashtar University		Linked to the Ministry of Defence, set up a missiles training course in 2003, in close collaboration with the AIO.	24.6.2008

	Name	Identifying information	Reasons	Date of listing
10.	Marine Industries	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO.	24.4.2007
11.	Mechanic Industries Group		Took part in the production of components for the ballistics programme.	24.6.2008
12.	Ministry of Defence and Armed Forces Logistics (MODAFL)	West side of Dabestan Street, Abbas Abad District, Tehran	Responsible for Iran's defence research, development and manufacturing programmes, including support to missile and nuclear programmes.	24.6.2008
13.	Ministry of Defence Logistics Export (MODLEX)	P.O. Box 16315 189, Tehran, Iran	It is the export arm of MODAFL, and the agency used for exporting finished weapons in state to state transactions. Under UNSCR 1747 (2007) MODLEX should not be trading.	24.6.2008
14.	3M Mizan Machinery Manufacturing		Front company for the AIO, taking part in ballistics procurement.	24.6.2008
15.	Nuclear Fuel Production and Procurement Company (NFPC)	AEOI NFPD, P.O.Box: 11365 8486, Tehran/Iran	Nuclear Fuel Production Division (NFPD) of AEOI is research and development in the field of nuclear fuel cycle including: uranium exploration, mining, milling, conversion and nuclear waste management. The NFPC is the successor to the NFPD, the subsidiary company under the AEOI that runs research and development in the nuclear fuel cycle including conversion and enrichment.	24.4.2007
16.	Parchin Chemical Industries		Worked on propulsion techniques for the Iranian ballistics programme.	24.6.2008
17.	Special Industries Group	Pasdaran Av., PO Box 19585/777, Tehran	A subsidiary of the DIO.	24.4.2007
18.	State Purchasing Organisation (SPO)		The SPO appears to facilitate the import of whole weapons. It appears to be a subsidiary of MODAFL.	24.6.2008'

*ANNEX III**'ANNEX III*

**Branches and subsidiaries within the jurisdiction of the Member States of banks domiciled in Iran referred to in Article 3b(1)(b)'**

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*ANNEX IV**'ANNEX IV*

**Branches and subsidiaries, outside the jurisdiction of the Member States, of banks domiciled in Iran as well as financial entities that are neither domiciled in Iran nor within the jurisdiction of the Member States but are controlled by persons and entities domiciled in Iran referred to in Article 3b(1)(c) and (d)'**

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## DECISIONS

## COUNCIL DECISION

of 26 July 2010

**concerning restrictive measures against Iran and repealing Common Position 2007/140/CFSP**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 29 thereof,

Whereas:

- (1) On 27 February 2007, the Council of the European Union adopted Common Position 2007/140/CFSP concerning restrictive measures against Iran<sup>(1)</sup> which implemented United Nations Security Council Resolution (UNSCR) 1737 (2006).
- (2) On 23 April 2007, the Council adopted Common Position 2007/246/CFSP<sup>(2)</sup> which implemented UNSCR 1747 (2007).
- (3) On 7 August 2008, the Council adopted Common Position 2008/652/CFSP<sup>(3)</sup> which implemented UNSCR 1803 (2008).
- (4) On 9 June 2010, the United Nations Security Council ('the Security Council') adopted UNSCR 1929 (2010) which widened the scope of the restrictive measures imposed by UNSCR 1737 (2006), UNSCR 1747 (2007), and UNSCR 1803 (2008) and introduced additional restrictive measures against Iran.
- (5) On 17 June 2010, the European Council underlined its deepening concern about Iran's nuclear programme and welcomed the adoption of UNSCR 1929 (2010). Recalling its Declaration of 11 December 2009, the European Council invited the Council to adopt measures implementing those contained in UNSCR 1929 (2010) as well as accompanying measures, with a view to supporting the resolution of all outstanding concerns regarding Iran's development of sensitive technologies in support of its nuclear and missile programmes, through negotiation. These should focus

on the areas of trade, the financial sector, the Iranian transport sector, key sectors in the oil and gas industry and additional designations in particular for the Islamic Revolutionary Guards Corps (IRGC).

- (6) UNSCR 1929 (2010) prohibits investment by Iran, its nationals and entities incorporated in Iran or subject to its jurisdiction, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them in any commercial activity involving uranium mining, production or use of nuclear materials and technology.
- (7) UNSCR 1929 (2010) extends the financial and travel restrictions imposed by UNSCR 1737 (2006) to additional persons and entities, including IRGC individuals and entities as well as entities of the Islamic Republic of Iran Shipping Lines (IRISL).
- (8) In accordance with the European Council Declaration, the restrictions on admission and the freezing of funds and economic resources should be applied to further persons and entities, in addition to those designated by the Security Council or the Committee established pursuant to paragraph 18 of UNSCR 1737 (2006) ('the Committee'), using the same criteria as those applied by the Security Council or the Committee.
- (9) In accordance with the European Council Declaration, it is appropriate to prohibit the supply, sale or transfer to Iran of further items, materials, equipment, goods and technology, in addition to those determined by the Security Council or the Committee, that could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the International Atomic Energy Agency (IAEA) has expressed concerns or identified as outstanding, or to other weapons of mass destruction programmes. This prohibition should include dual-use goods and technology.
- (10) In accordance with the European Council Declaration, Member States should exercise restraint in entering into new short term commitments for public and private provided financial support for trade with Iran with a view to reducing outstanding amounts, in particular to

<sup>(1)</sup> OJ L 61, 28.2.2007, p. 49.<sup>(2)</sup> OJ L 106, 24.4.2007, p. 67.<sup>(3)</sup> OJ L 213, 8.8.2008, p. 58.

avoid any financial support contributing to proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery systems, and should prohibit any medium and long-term commitment for public and private provided financial support for trade with Iran.

- (11) UNSCR 1929 (2010) calls upon all States to inspect, in accordance with their national authorities and legislation, and consistent with international law, all cargoes to and from Iran, in their territory, including seaports and airports, if the State concerned has information that provides reasonable grounds to believe that the cargo contains items the supply, sale, transfer or export of which is prohibited under UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010).
- (12) UNSCR 1929 (2010) also notes that Member States, consistent with international law, in particular the law of the sea, may request inspections of vessels on the high seas with the consent of the flag State, if they have information that provides reasonable grounds to believe that the vessels carry items the supply, sale, transfer or export of which is prohibited under UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010).
- (13) UNSCR 1929 (2010) also provides that UN Member States are to seize and dispose of items the supply, sale, transfer or export of which is prohibited under UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010) in a manner that is not inconsistent with their obligations under the applicable Security Council Resolutions and international conventions.
- (14) UNSCR 1929 (2010) further provides that UN Member States are to prohibit the provision by their nationals or from their territory of bunkering services, or other servicing of vessels, to Iran vessels if they have information that provides reasonable grounds to believe they are carrying items the supply, sale, transfer or export of which is prohibited under UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010).
- (15) In accordance with the European Council Declaration, Member States, in accordance with their national legal authorities and legislation and consistent with international law, in particular relevant international civil aviation agreements, should take the necessary measures to prevent the access to the airports under their jurisdiction of all cargo flights from Iran with the exception of mixed passengers and cargo flights.
- (16) Moreover, the provision by nationals of Member States or from the territory of Member States of engineering and maintenance services to Iranian cargo aircrafts should be prohibited if the State concerned has information that provides reasonable grounds to believe that they are carrying items the supply, sale, transfer or export of which is prohibited under UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010).
- (17) UNSCR 1929 (2010) also calls upon all UN Member States to prevent the provision of financial services, including insurance and re-insurance, or the transfer to, through, or from their territory, or to or by their nationals or entities organised under their laws, or persons of financial institutions in their territory, of any financial or other assets or resources that could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.
- (18) In accordance with the European Council Declaration, Member States should prohibit the provision of insurance and re-insurance to the Government of Iran, to entities incorporated in Iran or subject to Iran's jurisdiction or to individuals and entities acting on their behalf or at their direction, or to entities owned and controlled by them, including through illicit means.
- (19) Moreover, the sale or purchase of, or brokering or assistance in the issuance of public or public-guaranteed bonds to and from the Government of Iran, the Central Bank of Iran or Iranian banks, including branches and subsidiaries, and financial entities controlled by persons and entities domiciled in Iran should be prohibited.
- (20) In accordance with the European Council Declaration and in order to fulfil the objectives of UNSCR 1929 (2010), the opening of new branches, subsidiaries, or representative offices of Iranian banks in the territory of Member States, and the establishment of new joint ventures, or the taking of an ownership interest by Iranian banks in banks within the jurisdiction of Member States, should be prohibited. Furthermore, Member States should take the appropriate measures to prohibit financial institutions within their territories or under their jurisdiction from opening representatives offices or subsidiaries or banking accounts in Iran.
- (21) UNSCR 1929 (2010) also provides for States to require their nationals, persons subject to their jurisdiction or firms incorporated in their territories or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran's jurisdiction, if they have reasonable grounds to believe that such business could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery system or to violations of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010).

- (22) UNSCR 1929 (2010) notes the potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation-sensitive nuclear activities and further notes that chemical process equipment and materials required for the petrochemical industry have much in common with those required for certain sensitive nuclear fuel cycle activities.
- (23) In accordance with the European Council Declaration, Member States should prohibit the sale, supply or transfer to Iran of key equipment and technology as well as related technical and financial assistance, which could be used in key sectors in the oil and natural gas industries. Moreover, Member States should prohibit any new investment in these sectors in Iran.
- (24) The procedure for amending Annexes I and II to this Decision should include providing to designated persons and entities the grounds for listing so as to give them an opportunity to present observations. Where observations are submitted or where substantial new evidence is presented, the Council should review its decision in the light of those observations and inform the person or entity concerned accordingly.
- (25) This Decision respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union and notably the right to an effective remedy and to a fair trial, the right to property and the right to the protection of personal data. This Decision should be applied in accordance with those rights and principles.
- (26) This Decision also fully respects the obligations of Member States under the Charter of the United Nations and the legally binding nature of Security Council Resolutions.
- (27) Further action by the Union is needed in order to implement certain measures,
- including software, to, or for the use in, or benefit of, Iran, by nationals of Member States, or through the territories of Member States, or using their flag vessels or aircraft, shall be prohibited whether or not originating in their territories:
- (a) items, materials, equipment, goods and technology contained in the Nuclear Suppliers Group and Missile Technology Control Regime lists;
- (b) any additional items, materials, equipment, goods and technology, determined by the Security Council or the Committee, which could contribute to enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems;
- (c) arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for such arms and related materiel, as well as equipment which might be used for internal repression. This prohibition shall not apply to non-combat vehicles which have been manufactured or fitted with materials to provide ballistic protection, intended solely for protective use of personnel of the EU and its Member States in Iran;
- (d) certain other items, materials, equipment, goods and technology that could contribute to enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding. The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision;
- (e) other dual-use goods and technology listed in Annex I to Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items <sup>(1)</sup> and not covered by point (a) except for category 5 - Part 1 and category 5 - Part 2 in Annex I to Council Regulation (EC) No 428/2009.

HAS ADOPTED THIS DECISION:

#### CHAPTER 1

#### EXPORT AND IMPORT RESTRICTIONS

##### Article 1

1. The direct or indirect supply, sale or transfer of the following items, materials, equipment, goods and technology,

2. The prohibition in paragraph 1 shall not apply to the direct or indirect transfer to, or for use in, or the benefit of Iran through the territories of Member States of items referred to in subparagraphs 3(b)(i) and (ii) of UNSCR 1737 (2006) for light water reactors begun before December 2006.

<sup>(1)</sup> OJ L 134, 29.5.2009, p. 1.

3. It shall also be prohibited to:

- (a) provide technical assistance or training, investment, or brokering services related to items, materials, equipment, goods and technology set out in paragraph 1 and to the provision, manufacture, maintenance and use of these items, materials, equipment, goods and technology, directly or indirectly to any person, entity or body in, or for use in Iran;
- (b) provide financing or financial assistance related to items and technologies referred to in paragraph 1, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of these items and technologies, or for the provision of related technical training, services or assistance, directly or indirectly to any person, entity or body in, or for use in Iran;
- (c) participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibition referred to in points (a) and (b).

4. The procurement by nationals of Member States, or using their flagged vessels or aircraft, of the items, materials, equipment, goods and technology referred to in paragraph 1 from Iran shall be prohibited, whether or not originating in the territory of Iran.

#### Article 2

1. The direct or indirect supply, sale or transfer to, or for use in, or the benefit of Iran, by nationals of Member States or through the territories of Member States, or using vessels or aircraft under their jurisdiction, of items, materials, equipment, goods and technology, including software, not covered by Article 1, that could contribute to enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding, shall be subject to authorisation on a case-by-case basis by the competent authorities of the exporting Member State. The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. The provision of:

- (a) technical assistance or training, investment, or brokering services related to items, materials, equipment, goods and technology set out in paragraph 1 and to the provision, manufacture, maintenance and use of these items, directly or indirectly, to any person, entity or body in, or for use in, Iran;

- (b) financing or financial assistance related to items and technologies referred to in paragraph 1, including in particular grants, loans and export credit insurance, for any sale, supply, transfer or export of these items, or for the provision of related technical training, services or assistance, directly or indirectly to any person, entity or body in, or for use in, Iran;

shall also be subject to an authorisation of the competent authority of the exporting Member State.

3. The competent authorities of the Member States shall not grant any authorisation for any supply, sale or transfer of the items, materials, equipment, goods and technology referred to in paragraph 1 if they determine that the sale, supply, transfer or export concerned or the provision of the service concerned would contribute to the activities referred to in paragraph 1.

#### Article 3

1. The measures imposed by Article 1(1)(a), (b) and (c) and (3) shall not apply, as appropriate, where the Committee determines in advance and on a case-by-case basis that such supply, sale, transfer or provision of such items or assistance would clearly not contribute to the development of Iran's technologies in support of its proliferation-sensitive nuclear activities and of development of nuclear weapon delivery systems, including where such items or assistance are for food, agricultural, medical or other humanitarian purposes, provided that:

- (a) contracts for delivery of such items or assistance include appropriate end-user guarantees; and
- (b) Iran has committed not to use such items in proliferation-sensitive nuclear activities or for development of nuclear weapon delivery systems.

2. The measures imposed by Article 1(1)(e) and (3) shall not apply where the competent authority in the relevant Member State determines in advance and on a case-by-case basis that such supply, sale, transfer or provision of such items or assistance would clearly not contribute to the development of Iran's technologies in support of its proliferation-sensitive nuclear activities and of development of nuclear weapon delivery systems, including where such items or assistance are for medical or other humanitarian purposes, provided that:

- (a) contracts for delivery of such items or assistance include appropriate end-user guarantees; and
- (b) Iran has committed not to use such items in proliferation-sensitive nuclear activities or for development of nuclear weapon delivery systems.

The relevant Member State shall inform the other Member States of any exemption rejected.

#### Article 4

1. The sale, supply or transfer of key equipment and technology for the following key sectors of the oil and natural gas industry in Iran, or to Iranian or Iranian-owned enterprises engaged in those sectors outside Iran, by nationals of Member States, or from the territories of Member States, or using vessels or aircraft under the jurisdiction of Member States shall be prohibited whether or not originating in their territories:

- (a) refining;
- (b) liquefied natural gas;
- (c) exploration;
- (d) production.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. It shall be prohibited to provide the following to enterprises in Iran that are engaged in the key sectors of the Iranian oil and gas industry referred to in paragraph 1 or to Iranian, or Iranian-owned enterprises engaged in those sectors outside Iran:

- (a) technical assistance or training and other services related to key equipment and technology as determined according to paragraph 1;
- (b) financing or financial assistance for any sale, supply, transfer or export of key equipment and technology as determined according to paragraph 1 or for the provision of related technical assistance or training.

3. It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in paragraphs 1 and 2.

#### RESTRICTIONS ON FINANCING OF CERTAIN ENTERPRISES

##### Article 5

Investment in the territories under the jurisdiction of Member States by Iran, its nationals, or entities incorporated in Iran or subject to its jurisdiction, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them in any commercial activity involving uranium mining, production or use of nuclear materials and technology, in particular uranium enrichment and reprocessing

activities, all heavy-water related activities or technologies related to ballistic missiles capable of delivering nuclear weapons, shall be prohibited. The Union shall take the necessary measures in order to determine the relevant items to be covered by this Article.

#### Article 6

The following shall be prohibited:

- (a) the granting of any financial loan or credit to enterprises in Iran that are engaged in the sectors of the Iranian oil and gas industry referred to in Article 4(1) or to Iranian or Iranian-owned enterprises engaged in those sectors outside Iran;
- (b) the acquisition or extension of a participation in enterprises in Iran that are engaged in the sectors of the Iranian oil and gas industry referred to in Article 4(1), or to Iranian or Iranian-owned enterprises engaged in those sectors outside Iran, including the acquisition in full of such enterprises and the acquisition of shares and securities of a participating nature;
- (c) the creation of any joint venture with enterprises in Iran that are engaged in the industries in the oil and gas sectors referred to in Article 4(1) and with any subsidiary or affiliate under their control.

#### Article 7

1. The prohibition in Article 4(1) shall be without prejudice to the execution of an obligation relating to the delivery of goods provided for in contracts concluded before the date of adoption of this Decision.

2. The prohibitions in Article 4 shall be without prejudice to the execution of an obligation arising from contracts concluded before the date of adoption of this Decision and relating to investments made in Iran before the same date by enterprises established in Member States.

3. The prohibitions in Article 6(a) and (b) respectively:

- (i) shall be without prejudice to the execution of an obligation arising from contracts or agreements concluded before the date of adoption of this Decision;
- (ii) shall not prevent the extension of a participation, if such extension is an obligation under an agreement concluded before the date of adoption of this Decision.

**RESTRICTIONS ON FINANCIAL SUPPORT FOR TRADE***Article 8*

1. Member States shall exercise restraint in entering into new short term commitments for public and private provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to their nationals or entities involved in such trade, with a view to reducing their outstanding amounts, in particular to avoid any financial support contributing to proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery systems. In addition, Member States shall not enter into new medium and long-term commitments for public and private provided financial support for trade with Iran.

2. Paragraph 1 shall not affect commitments established prior to the entry into force of this Decision.

3. Paragraph 1 shall not concern trade for food, agricultural, medical or other humanitarian purposes.

## CHAPTER 2

**FINANCIAL SECTOR***Article 9*

Member States shall not enter into new commitments for grants, financial assistance and concessional loans to the Government of Iran, including through their participation in international financial institutions, except for humanitarian and developmental purposes.

*Article 10*

1. In order to prevent the provision of financial services, or the transfer to, through, or from the territories of Member States, or to or by nationals of Member States or entities organised under their laws (including branches abroad), or persons or financial institutions in the territories of Member States, of any financial or other assets or resources that could contribute to Iran's proliferation-sensitive nuclear activities, or the development of nuclear weapon delivery systems, Member States shall exercise enhanced monitoring over all the activities of financial institutions within their jurisdiction with:

(a) banks domiciled in Iran, in particular the Central Bank of Iran;

(b) branches and subsidiaries within the jurisdiction of the Member States of banks domiciled in Iran;

(c) branches and subsidiaries outside the jurisdiction of the Member States of banks domiciled in Iran;

(d) financial entities that are not domiciled in Iran, but are controlled by persons and entities domiciled in Iran.

2. For the purposes of paragraph 1, financial institutions shall be required, in their activities with banks and financial institutions as set out in paragraph 1, to:

(a) exercise continuous vigilance over account activity including through their programmes on customer due diligence and under their obligations relating to money-laundering and financing of terrorism;

(b) require that all information fields of payment instructions which relate to the originator and beneficiary of the transaction in question be completed; and if that information is not supplied, refuse the transaction;

(c) maintain all records of transactions for a period of five years and make them available to national authorities on request;

(d) if they suspect or have reasonable grounds to suspect that funds are related to proliferation financing, promptly report their suspicions to the Financial Intelligence Unit (FIU) or another competent authority designated by the Member State concerned. The FIU or such other competent authority shall have access, directly or indirectly, on a timely basis to the financial, administrative and law enforcement information that it requires to properly undertake this function, including the analysis of suspicious transaction reports.

3. Transfers of funds to and from Iran shall be processed as follows:

(a) transfers due on transactions regarding foodstuffs, healthcare, medical equipment, or for humanitarian purposes shall be carried out without any prior authorisation; the transfer shall be notified to the competent authority of the Member State concerned if above 10 000 euros;

(b) any other transfer below 40 000 euros shall be carried out without any prior authorisation; the transfer shall be notified to the competent authority of the Member State concerned if above 10 000 euros;

(c) any other transfer above 40 000 euros shall require the prior authorisation from the competent authority of the Member State concerned. The authorisation shall be deemed granted within four weeks unless the competent authority of the Member State concerned has objected within this time-limit. The relevant Member State shall inform the other Member States of any authorisation rejected.

4. Branches and subsidiaries of banks domiciled in Iran within the jurisdiction of the Member States shall also be required to notify the competent authority of the Member State where they are established, of all transfers of funds carried out or received by them, within five working days after carrying out or receiving the respective transfer of funds.

Subject to information-sharing arrangements, notified competent authorities shall without delay transmit this data, as appropriate, to the competent authorities of other Member States, where the counterparts to such transactions are established.

#### Article 11

1. The opening of new branches, subsidiaries, or representative offices of Iranian banks in the territories of Member States, and the establishment of new joint ventures, or the taking of an ownership interest, or the establishment of new correspondent banking relationships by Iranian banks, including the Central Bank of Iran, its branches and subsidiaries and other financial entities referred to in Article 10(1), with banks in the jurisdiction of Member States, shall be prohibited.

2. Financial institutions within the territories of Member States or under their jurisdiction shall be prohibited from opening representative offices, subsidiaries or banking accounts in Iran.

#### Article 12

1. The provision of insurance and re-insurance to the Government of Iran, or to entities incorporated in Iran or subject to Iran's jurisdiction, or to any individuals or entities acting on their behalf or at their direction, or to entities owned or controlled by them, including through illicit means, shall be prohibited.

2. Paragraph 1 shall not apply to the provision of health and travel insurances to individuals.

3. It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibition referred to in paragraph 1.

#### Article 13

The direct or indirect sale or purchase of, or brokering or assistance in the issuance of public or public-guaranteed bonds issued after the entry into force of this Decision to and from the Government of Iran, the Central Bank of Iran, or banks domiciled in Iran, or branches and subsidiaries within and outside the jurisdiction of Member States of banks domiciled in Iran, or financial entities that are neither domiciled in Iran nor within the jurisdiction of the Member States, but are controlled by persons and entities domiciled in Iran as well as any individuals and entities acting on their behalf or at their direction, or entities owned or controlled by them, shall be prohibited.

#### Article 14

Member States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territories or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran's jurisdiction, including those of the IRGC and IRISL and any individuals and entities acting on their behalf or at their direction, and entities owned or controlled by them including through illicit means in order to ensure such business does not contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems or to violations of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010).

### CHAPTER 3

#### TRANSPORT SECTOR

#### Article 15

1. Member States shall inspect, in accordance with their national authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, all cargo to and from Iran in their territories, including seaports and airports, if they have information that provides reasonable grounds to believe that the cargo contains items the supply, sale, transfer or export of which is prohibited under this Decision.

2. Member States, consistent with international law, in particular the law of the sea, may request inspections of vessels on the high seas with the consent of the flag State, if they have information that provides reasonable grounds to believe that the vessels carry items the supply, sale, transfer or export of which is prohibited under this Decision.

3. Member States shall cooperate, in accordance with their national legislation, with inspections undertaken pursuant to paragraph 2.

4. Aircrafts and vessels transporting cargo to and from Iran shall be subject to the requirement of additional pre-arrival or pre-departure information for all goods brought into or out of a Member State.

5. In cases where an inspection referred to in paragraphs 1 or 2 is undertaken, Member States shall seize and dispose of (such as through destruction, rendering inoperable, storage or transferring to a State other than the originating or destination States for disposal) items the supply, sale, transfer or export of which is prohibited under this Decision in accordance with paragraph 16 of UNSCR 1929 (2010). Such seizure and disposal will be carried out at the expense of the importer or, if it is not possible to recover these expenses from the importer, they may, in accordance with national legislation, be recovered from any other person or entity responsible for the attempted illicit supply, sale, transfer or export.

6. The provision by nationals of Member States or from the territories under the jurisdiction of Member States of bunkering or ship supply services, or other servicing of vessels, to Iranian-owned or -contracted vessels, including chartered vessels, shall be prohibited if they have information that provides reasonable grounds to believe that the vessels carry items the supply, sale, transfer or export of which is prohibited under this Decision unless the provision of such services is necessary for humanitarian purposes or until the cargo has been inspected, and seized and disposed of if necessary, in accordance with paragraphs 1, 2 and 5.

#### Article 16

Member States shall communicate to the Committee any information available on transfers or activity by Iran's Air's cargo division or vessels owned or operated by the IRISL to other companies, that may have been undertaken in order to evade the sanctions of, or in violation of the provisions of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010), including the renaming or re-registering of aircraft, vessels or ships.

#### Article 17

Member States, in accordance with their national legal authorities and legislation and consistent with international law, in particular relevant international civil aviation agreements, shall take the necessary measures to prevent access to the airports under their jurisdiction of all cargo flights operated by Iranian carriers or originating from Iran with the exception of mixed passenger and cargo flights.

#### Article 18

The provision by nationals of Member States, or from the territories of Member States, of engineering and maintenance

services to Iranian cargo aircraft shall be prohibited if they have information that provides reasonable grounds to believe that the cargo aircraft carry items the supply, sale, transfer or export of which is prohibited under this Decision unless the provision of such services is necessary for humanitarian and safety purposes or until the cargo has been inspected, and seized and disposed of if necessary, in accordance with Article 15 (1) and (5).

### CHAPTER 4

#### RESTRICTIONS ON ADMISSION

##### Article 19

1. Member States shall take the necessary measures to prevent the entry into, or transit through their territories of:

(a) persons listed in the Annex to UNSCR 1737 (2006), and additional persons designated by the Security Council or by the Committee in accordance with paragraph 10 of UNSCR 1737 (2006) as well as IRGC individuals designated by the Security Council or by the Committee, as listed in Annex I;

(b) other persons not covered by Annex I that are engaged in, directly associated with, or providing support for Iran's proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, or persons acting on their behalf or at their direction, or persons that have assisted designated persons or entities in evading or violating the provisions of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) and UNSCR 1929 (2010) or this Decision as well as other senior members of the IRGC, as listed in Annex II.

2. The prohibition in paragraph 1 shall not apply to the transit through the territories of Member States for the purposes of activities directly related to the items specified in subparagraphs 3(b)(i) and (ii) of UNSCR 1737 (2006) for light water reactors begun before December 2006.

3. Paragraph 1 shall not oblige a Member State to refuse its own nationals entry into its territory.

4. Paragraph 1 shall be without prejudice to cases where a Member State is bound by an obligation of international law, namely:

(i) as a host country of an international intergovernmental organisation;

(ii) as a host country to an international conference convened by, or under the auspices of, the United Nations;

(iii) under a multilateral agreement conferring privileges and immunities;

(iv) under the 1929 Treaty of Conciliation (Lateran pact) concluded by the Holy See (State of the Vatican City) and Italy.

5. Paragraph 4 shall be considered as applying also in cases where a Member State is host country of the Organisation for Security and Cooperation in Europe (OSCE).

6. The Council shall be duly informed in all cases where a Member State grants an exemption pursuant to paragraph 4 or 5.

7. Member States may grant exemptions from the measures imposed in paragraph 1 where they determine that travel is justified on the grounds of:

(i) urgent humanitarian need, including religious obligations;

(ii) the necessity to meet the objectives of UNSCR 1737 (2006) and UNSCR 1929 (2010), including where Article XV of the IAEA Statute is engaged;

(iii) attending intergovernmental meetings, including those promoted by the Union, or hosted by a Member State holding the Chairmanship in office of the OSCE, where a political dialogue is conducted that directly promotes democracy, human rights and the rule of law in Iran.

8. A Member State wishing to grant exemptions referred to in paragraph 6 shall notify the Council thereof in writing. The exemption shall be deemed to be granted unless one or more of the Council Members raises an objection in writing within two working days of receiving notification of the proposed exemption. Should one or more of the Council members raise an objection, the Council, acting by a qualified majority, may decide to grant the proposed exemption.

9. In cases where, pursuant to paragraphs 4, 5 and 7, a Member State authorises the entry into, or transit through, its territory of persons listed in Annex I or II, the authorisation shall be limited to the purpose for which it is given and to the persons concerned thereby.

10. Member States shall notify the Committee of the entry into, or transit through, their territories of the persons set out in Annex I, if an exemption has been granted.

## CHAPTER 5

### **FREEZING OF FUNDS AND ECONOMIC RESOURCES**

#### *Article 20*

1. All funds and economic resources which belong to, are owned, held or controlled, directly or indirectly by the following, shall be frozen:

(a) persons and entities designated in the Annex to UNSCR 1737 (2006), additional persons and entities designated by the Security Council or by the Committee in accordance with paragraph 12 of UNSCR 1737 (2006) and paragraph 7 of UNSCR 1803 (2008) as well as IRGC individuals and entities and IRISL entities designated by the Security Council or by the Committee, as listed in Annex I;

(b) persons and entities not covered by Annex I that are engaged in, directly associated with, or providing support for, Iran's proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, or persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, including through illicit means, or persons and entities that have assisted designated persons or entities in evading or violating the provisions of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) and UNSCR 1929 (2010) or this Decision as well as other senior members and entities of IRGC and IRISL and entities owned or controlled by them or acting on their behalf, as listed in Annex II.

2. No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of persons and entities referred to in paragraph 1.

3. Exemptions may be made for funds and economic resources which are:

(a) necessary to satisfy basic needs, including payment for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;

(b) intended exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services;

(c) intended exclusively for payment of fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds and economic resources;

after notification by the Member State concerned to the Committee of the intention to authorise, where appropriate, access to such funds and economic resources and in the absence of a negative decision by the Committee within five working days of such notification.

4. Exemptions may also be made for funds and economic resources which are:

(a) necessary for extraordinary expenses, after notification by the Member State concerned to, and approval by, the Committee;

(b) the subject of a judicial, administrative or arbitral lien or judgement, in which case the funds and economic resources may be used to satisfy that lien or judgement provided that the lien or judgement was entered before the date of UNSCR 1737 (2006), and is not for the benefit of a person or entity referred to in paragraph 1, after notification by the Member State concerned to the Committee;

(c) necessary for activities directly related to the items specified in subparagraphs 3(b)(i) and (ii) of UNSCR 1737 (2006) for light water reactors begun before December 2006.

5. Paragraph 2 shall not apply to the addition to frozen accounts of:

(a) interest or other earnings on those accounts; or

(b) payments to frozen accounts due under contracts, agreements or obligations that were concluded or arose before the date on which those accounts became subject to restrictive measures;

provided that any such interest, other earnings and payments continue to be subject to paragraph 1.

6. Paragraph 1 shall not prevent a designated person or entity from making payment due under a contract entered into before the listing of such a person or entity, provided that the relevant Member State has determined that:

(a) the contract is not related to any of the prohibited items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services referred to in Article 1;

(b) the payment is not directly or indirectly received by a person or entity referred to in paragraph 1;

and after notification by the relevant Member State to the Committee of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds or economic resources for this purpose, 10 working days prior to such authorisation.

## CHAPTER 6

### OTHER RESTRICTIVE MEASURES

#### Article 21

Member States shall, in accordance with their national legislation, take the necessary measures to prevent specialised teaching or training of Iranian nationals, within their territories or by their nationals, of disciplines which would contribute to Iran's proliferation-sensitive nuclear activities and development of nuclear weapon delivery systems.

## CHAPTER 7

### GENERAL AND FINAL PROVISIONS

#### Article 22

No claims, including for compensation or for other claim of this kind, such as a claim of set-off or a claim under a guarantee, in connection with any contract or transaction the performance of which was affected, directly or indirectly, wholly or in part, by reason of measures decided on pursuant to UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) or UNSCR 1929 (2010), including measures of the Union or any Member State in accordance with, as required by or in any connection with, the implementation of the relevant decisions of the Security Council or measures covered by the present Decision, shall be granted to the designated persons or entities listed in Annexes I or II, or any other person or entity in Iran, including the Government of Iran, or any person or entity claiming through or for the benefit of any such person or entity.

*Article 23*

1. The Council shall implement modifications to Annex I on the basis of the determinations made by the Security Council or by the Committee.
2. The Council, acting by unanimity on a proposal from Member States or from the High Representative of the Union for Foreign Affairs and Security Policy, shall establish the list in Annex II and adopt modifications to it.

*Article 24*

1. Where the Security Council or the Committee lists a person or entity, the Council shall include such person or entity in Annex I.
2. Where the Council decides to subject a person or entity to the measures referred to in Articles 19(1)(b) and 20(1)(b), it shall amend Annex II accordingly.
3. The Council shall communicate its decision to the person or entity referred to in paragraphs 1 and 2, including the grounds for listing, either directly, if the address is known, or through the publication of a notice, providing such person or entity an opportunity to present observations.
4. Where observations are submitted, or where substantial new evidence is presented, the Council shall review its decision and inform the person or entity accordingly.

*Article 25*

1. Annexes I and II shall include the grounds for listing of listed persons and entities, as provided by the Security Council or by the Committee with regard to Annex I.
2. Annexes I and II shall also include, where available, information necessary to identify the persons or entities concerned, as provided by the Security Council or by the

Committee for Annex I. With regard to persons, such information may include names including aliases, date and place of birth, nationality, passport and ID card numbers, gender, address, if known and function or profession. With regard to entities such information may include names, place and date of registration, registration number and place of business. Annex I shall also include the date of designation by the Security Council or by the Committee.

*Article 26*

1. This Decision shall be reviewed, amended or repealed as appropriate, notably in the light of relevant decisions by the Security Council.
2. The measures on banking relationships with Iranian banks in Articles 10 and 11 shall be reviewed within six months of the adoption of this Decision.
3. The measures referred to in Articles 19(1)(b) and 20(1)(b) shall be reviewed at regular intervals and at least every 12 months. They shall cease to apply in respect of the persons and entities concerned if the Council determines, in accordance with the procedure referred to in Article 24, that the conditions for their application are no longer met.

*Article 27*

Common Position 2007/140/CFSP is hereby repealed.

*Article 28*

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 26 July 2010.

*For the Council*  
*The President*  
C. ASHTON

## ANNEX I

**List of persons referred to in Article 19(1)(a) and of persons and entities referred to in Article 20(1)(a)****A. Persons and entities involved in nuclear or ballistic missiles activities***Natural persons*

- (1) Fereidoun Abbasi-Davani. Other information: Senior Ministry of Defence and Armed Forces Logistics (MODAFL) scientist with links to the Institute of Applied Physics. Working closely with Mohsen Fakhrizadeh-Mahabadi.  
Date of UN designation: 24.3.2007.
- (2) Dawood Agha-Jani. Function: Head of the PFEP - Natanz. Other information: Person involved in Iran's nuclear programme.  
Date of UN designation: 23.12.2006.
- (3) Ali Akbar Ahmadian. Title: Vice Admiral. Function: Chief of Iranian Revolutionary Guard Corps (IRGC) Joint Staff.  
Date of UN designation: 24.3.2007.
- (4) Amir Moayyed Alai. Other information: involved in managing the assembly and engineering of centrifuges.  
Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (5) Behman Asgarpour. Function: Operational Manager (Arak). Other information: Person involved in Iran's nuclear programme.  
Date of UN designation: 23.12.2006.
- (6) Mohammad Fedai Ashiani. Other information: involved in the production of ammonium uranyl carbonate and management of the Natanz enrichment complex.  
Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (7) Abbas Rezaee Ashtiani. Other information: a senior official at the AEOI Office of Exploration and Mining Affairs.  
Date of UN designation: 3.3.2008.
- (8) Bahmanyar Morteza Bahmanyar. Function: Head of Finance & Budget Dept, Aerospace Industries Organisation (AIO). Other information: Person involved in Iran's ballistic missile programme.  
Date of UN designation: 23.12.2006.
- (9) Haleh Bakhtiar. Other information: involved in the production of magnesium at a concentration of 99,9 %.  
Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (10) Morteza Behzad. Other information: involved in making centrifuge components.  
Date of EU designation: 24.4.2007 (UN: 3.3.2008).
- (11) Ahmad Vahid Dastjerdi. Function: Head of the Aerospace Industries Organisation (AIO). Other information: Person involved in Iran's ballistic missile programme.  
Date of UN designation: 23.12.2006.
- (12) Ahmad Derakhshandeh. Function: Chairman and Managing Director of Bank Sepah.  
Date of UN designation: 24.3.2007.
- (13) Mohammad Eslami. Title: Dr. Other information: Head of Defence Industries Training and Research Institute.  
Date of UN designation: 3.3.2008.

- (14) Reza-Gholi Esmaeli. Function: Head of Trade & International Affairs Dept, Aerospace Industries Organisation (AIO). Other information: Person involved in Iran's ballistic missile programme.

Date of UN designation: 23.12.2006.

- (15) Mohsen Fakhrizadeh-Mahabadi. Other information: Senior MODAFL scientist and former head of the Physics Research Centre (PHRC).

Date of UN designation: 24.3.2007.

- (16) Mohammad Hejazi. Title: Brigadier General. Function: Commander of Bassij resistance force.

Date of UN designation: 24.3.2007.

- (17) Mohsen Hojati. Function: Head of Fajr Industrial Group.

Date of UN designation: 24.3.2007.

- (18) Seyyed Hussein Hosseini. Other information: AEOI official involved in the heavy water research reactor project at Arak.

Date of EU designation: 24.4.2007 (UN: 3.3.2008).

- (19) M. Javad Karimi Sabet. Other information: Head of Novin Energy Company, which is designated under resolution 1747 (2007).

Date of EU designation: 24.4.2007 (UN: 3.3.2008).

- (20) Mehrdada Akhlaghi Ketabachi. Function: Head of Shahid Bagheri Industrial Group (SBIG).

Date of UN designation: 24.3.2007.

- (21) Ali Hajinia Leilabadi. Function: Director General of Mesbah Energy Company. Other information: Person involved in Iran's nuclear programme.

Date of UN designation: 23.12.2006.

- (22) Naser Maleki. Function: Head of Shahid Hemmat Industrial Group (SHIG). Other information: Naser Maleki is also a MODAFL official overseeing work on the Shahab-3 ballistic missile programme. The Shahab-3 is Iran's long-range ballistic missile currently in service.

Date of UN designation: 24.3.2007.

- (23) Hamid-Reza Mohajerani. Other information: involved in production management at the Uranium Conversion Facility (UCF) at Esfahan.

Date of EU designation: 24.4.2007 (UN: 3.3.2008).

- (24) Jafar Mohammadi. Function: Technical Adviser to the Atomic Energy Organisation of Iran (AEOI) (in charge of managing the production of valves for centrifuges). Other information: Person involved in Iran's nuclear programme.

Date of UN designation: 23.12.2006.

- (25) Ehsan Monajemi. Function: Construction Project Manager, Natanz. Other information: Person involved in Iran's nuclear programme.

Date of UN designation: 23.12.2006.

- (26) Mohammad Reza Naqdi. Title: Brigadier General. Other information: former Deputy Chief of Armed Forces General Staff for Logistics and Industrial Research/Head of State Anti-Smuggling Headquarters, engaged in efforts to get round the sanctions imposed by UNSCR 1737 (2006) and 1747 (2007).

Date of UN designation: 3.3.2008.

- (27) Houshang Nobari. Other information: involved in the management of the Natanz enrichment complex.

Date of EU designation: 24.4.2007 (UN: 3.3.2008).

- (28) Mohammad Mehdi Nejad Nouri. Title: Lt Gen. Function: Rector of Malek Ashtar University of Defence Technology. Other information: The chemistry department of Ashtar University of Defence Technology is affiliated to MODALF and has conducted experiments on beryllium. Person involved in Iran's nuclear programme.

Date of UN designation: 23.12.2006.

- (29) Mohammad Qannadi. Function: AEOI Vice President for Research & Development. Other information: Person involved in Iran's nuclear programme.

Date of UN designation: 23.12.2006.

- (30) Amir Rahimi. Function: Head of Esfahan Nuclear Fuel Research and Production Center. Other information: Esfahan Nuclear Fuel Research and Production Center is part of the AEOI's Nuclear Fuel Production and Procurement Company, which is involved in enrichment-related activities.

Date of UN designation: 24.3.2007.

- (31) Javad Rahiqi. Function: Head of the Atomic Energy Organization of Iran (AEOI) Esfahan Nuclear Technology Center (additional information: DOB: 24 April 1954; POB: Marshad).

Date of UN designation: 9.6.2010 (EU: 24.4.2007).

- (32) Abbas Rashidi. Other information: involved in enrichment work at Natanz.

Date of EU designation: 24.4.2007 (UN: 3.3.2008).

- (33) Morteza Rezaie. Title: Brigadier General. Function: Deputy Commander of IRGC.

Date of UN designation: 24.3.2007.

- (34) Morteza Safari. Title: Rear Admiral. Function: Commander of IRGC Navy.

Date of UN designation: 24.3.2007.

- (35) Yahya Rahim Safavi. Title: Maj Gen. Function: Commander, IRGC (Pasdaran). Other information: Person involved in both Iran's nuclear and ballistic missile programmes.

Date of UN designation: 23.12.2006.

- (36) Seyed Jaber Safdari. Other information: Manager of the Natanz Enrichment Facilities.

Date of UN designation: 24.3.2007.

- (37) Hosein Salimi. Title: General. Function: Commander of the Air Force, IRGC (Pasdaran). Other information: Person involved in Iran's ballistic missile programme.

Date of UN designation: 23.12.2006.

- (38) Qasem Soleimani. Title: Brigadier General. Function: Commander of Qods force.

Date of UN designation: 24.3.2007.

(39) Ghasem Soleymani. Other information: Director of Uranium Mining Operations at the Saghand Uranium Mine.

Date of UN designation: 3.3.2008.

(40) Mohammad Reza Zahedi. Title: Brigadier General. Function: Commander of IRGC Ground Forces.

Date of UN designation: 24.3.2007.

(41) General Zolqadr. Function: Deputy Interior Minister for Security Affairs, IRGC officer.

Date of UN designation: 24.3.2007.

#### Entities

(1) Abzar Boresh Kaveh Co. (*alias* BK Co.). Other information: involved in the production of centrifuge components.

Date of UN designation: 3.3.2008.

(2) Amin Industrial Complex: Amin Industrial Complex sought temperature controllers which may be used in nuclear research and operational/production facilities. Amin Industrial Complex is owned or controlled by, or acts on behalf of, the Defense Industries Organization (DIO), which was designated in resolution 1737 (2006).

Location: P.O. Box 91735-549, Mashad, Iran; Amin Industrial Estate, Khalage Rd., Seyedi District, Mashad, Iran; Kaveh Complex, Khalaj Rd., Seyedi St., Mashad, Iran

A.K.A.: Amin Industrial Compound and Amin Industrial Company.

Date of UN designation: 9.6.2010.

(3) Ammunition and Metallurgy Industries Group (*alias* (a) AMIG, (b) Ammunition Industries Group). Other information: (a) AMIG controls 7th of Tir, (b) AMIG is owned and controlled by the Defence Industries Organisation (DIO).

Date of UN designation: 24.3.2007.

(4) Armament Industries Group: Armament Industries Group (AIG) manufacturers and services a variety of small arms and light weapons, including large- and medium-calibre guns and related technology. AIG conducts the majority of its procurement activity through Hadid Industries Complex.

Location: Sepah Islam Road, Karaj Special Road Km 10, Iran; Pasdaran Ave., P.O. Box 19585/777, Tehran, Iran.

Date of EU designation: 24.4.2007 (UN: 9.6.2010).

(5) Atomic Energy Organisation of Iran (AEOI). Other information: Involved in Iran's nuclear programme.

Date of UN designation: 23.12.2006.

(6) Bank Sepah and Bank Sepah International. Other information: Bank Sepah provides support for the Aerospace Industries Organisation (AIO) and subordinates, including Shahid Hemmat Industrial Group (SHIG) and Shahid Bagheri Industrial Group (SBIG).

Date of UN designation: 24.3.2007.

(7) Barzagani Tejarat Tavanmad Saccal companies. Other information: (a) subsidiary of Saccal System companies, (b) this company tried to purchase sensitive goods for an entity listed in resolution 1737 (2006).

Date of UN designation: 3.3.2008.

(8) Cruise Missile Industry Group (*alias* Naval Defence Missile Industry Group).

Date of UN designation: 24.3.2007.

- (9) Defence Industries Organisation (DIO). Other information: (a) Overarching MODAFL-controlled entity, some of whose subordinates have been involved in the centrifuge programme making components, and in the missile programme, (b) Involved in Iran's nuclear programme.

Date of UN designation: 23.12.2006.

- (10) Defense Technology and Science Research Center: Defense Technology and Science Research Center (DTSRC) is owned or controlled by, or acts on behalf of, Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), which oversees Iran's defence R&D, production, maintenance, exports, and procurement.

Location: Pasdaran Ave, PO Box 19585/777, Tehran, Iran.

Date of EU designation: 24.4.2007 (UN: 9.6.2010).

- (11) Doostan International Company: Doostan International Company (DICO) supplies elements to Iran's ballistic missile program.

Date of UN designation: 9.6.2010.

- (12) Electro Sanam Company (*alias* (a) E. S. Co., (b) E. X. Co.). Other information: AIO front-company, involved in the ballistic missile programme.

Date of UN designation: 3.3.2008.

- (13) Esfahan Nuclear Fuel Research and Production Centre (NFRPC) and Esfahan Nuclear Technology Centre (ENTC). Other information: They are parts of the Atomic Energy Organisation of Iran's (AEOI) Nuclear Fuel Production and Procurement Company.

Date of UN designation: 24.3.2007.

- (14) Ettehad Technical Group. Other information: AIO front-company, involved in the ballistic missile programme.

Date of UN designation: 3.3.2008.

- (15) Fajr Industrial Group. Other information: (a) Formerly Instrumentation Factory Plant, (b) Subordinate entity of AIO, (c) Involved in Iran's ballistic missile programme.

Date of UN designation: 23.12.2006.

- (16) Farasakht Industries: Farasakht Industries is owned or controlled by, or act on behalf of, the Iran Aircraft Manufacturing Company, which in turn is owned or controlled by MODAFL.

Location: P.O. Box 83145-311, Kilometer 28, Esfahan-Tehran Freeway, Shahin Shahr, Esfahan, Iran.

Date of UN designation: 9.6.2010.

- (17) Farayand Technique. Other information: (a) Involved in Iran's nuclear programme (centrifuge programme), (b) Identified in IAEA reports.

Date of UN designation: 23.12.2006.

- (18) First East Export Bank, P.L.C.: First East Export Bank, PLC is owned or controlled by, or acts on behalf of, Bank Mellat. Over the last seven years, Bank Mellat has facilitated hundreds of millions of dollars in transactions for Iranian nuclear, missile, and defense entities.

Location: Unit Level 10 (B1), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 WP Labuan, Malaysia; Business Registration Number LL06889 (Malaysia).

Date of UN designation: 9.6.2010.

- (19) Industrial Factories of Precision (IFP) Machinery (*alias* Instrumentation Factories Plant). Other information: used by AIO for some acquisition attempts.

Date of UN designation: 3.3.2008.

- (20) Jabber Ibn Hayan. Other information: AEOI laboratory involved in fuel-cycle activities.
- Date of UN designation: 3.3.2008 (EU: 24.4.2007).
- (21) Joza Industrial Co. Other information: AIO front-company, involved in the ballistic missile programme.
- Date of UN designation: 3.3.2008.
- (22) Kala-Electric (*alias* Kalaye Electric). Other information: (a) Provider for PFEP - Natanz, (b) Involved in Iran's nuclear programme.
- Date of UN designation: 23.12.2006.
- (23) Karaj Nuclear Research Centre. Other information: Part of AEOI's research division.
- Date of UN designation: 24.3.2007.
- (24) Kaveh Cutting Tools Company: Kaveh Cutting Tools Company is owned or controlled by, or acts on behalf of, the DIO.
- Location: 3rd Km of Khalaj Road, Seyyedi Street, Mashad 91638, Iran; Km 4 of Khalaj Road, End of Seyyedi Street, Mashad, Iran; P.O. Box 91735-549, Mashad, Iran; Khalaj Rd., End of Seyyedi Alley, Mashad, Iran; Moqan St., Pasdaran St., Pasdaran Cross Rd., Tehran, Iran.
- Date of UN designation: 9.6.2010.
- (25) Kavoshyar Company. Other information: Subsidiary company of AEOI.
- Date of UN designation: 24.3.2007.
- (26) Khorasan Metallurgy Industries. Other information: (a) subsidiary of the Ammunition Industries Group (AMIG) which depends on DIO, (b) involved in the production of centrifuge components.
- Date of UN designation: 3.3.2008.
- (27) M. Babaie Industries: M. Babaie Industries is subordinate to Shahid Ahmad Kazemi Industries Group (formally the Air Defense Missile Industries Group) of Iran's Aerospace Industries Organization (AIO). AIO controls the missile organizations Shahid Hemmat Industrial Group (SHIG) and the Shahid Bakeri Industrial Group (SBIG), both of which were designated in resolution 1737 (2006).
- Location: P.O. Box 16535-76, Tehran, 16548, Iran.
- Date of UN designation: 9.6.2010.
- (28) Malek Ashtar University: A subordinate of the DTRSC within MODAFL. This includes research groups previously falling under the Physics Research Center (PHRC). IAEA inspectors have not been allowed to interview staff or see documents under the control of this organization to resolve the outstanding issue of the possible military dimension to Iran's nuclear program.
- Location: Corner of Imam Ali Highway and Babaei Highway, Tehran, Iran.
- Date of EU designation: 24.6.2008 (UN: 9.6.2010).
- (29) Mesbah Energy Company. Other information: (a) Provider for A40 research reactor - Arak, (b) Involved in Iran's nuclear programme.
- Date of UN designation: 23.12.2006.
- (30) Ministry of Defense Logistics Export: Ministry of Defense Logistics Export (MODLEX) sells Iranian-produced arms to customers around the world in contravention of resolution 1747 (2007), which prohibits Iran from selling arms or related materiel.
- Location: PO Box 16315-189, Tehran, Iran; located on the west side of Dabestan Street, Abbas Abad District, Tehran, Iran.
- Date of EU designation: 24.6.2008 (UN: 9.6.2010).

- (31) Mizan Machinery Manufacturing: Mizan Machinery Manufacturing (3M) is owned or controlled by, or acts on behalf of, SHIG.
- Location: P.O. Box 16595-365, Tehran, Iran
- A.K.A.: 3MG
- Date of EU designation: 24.6.2008 (UN: 9.6.2010).
- (32) Modern Industries Technique Company: Modern Industries Technique Company (MITEC) is responsible for design and construction of the IR-40 heavy water reactor in Arak. MITEC has spearheaded procurement for the construction of the IR-40 heavy water reactor.
- Location: Arak, Iran
- A.K.A.: Rahkar Company, Rahkar Industries, Rahkar Sanaye Company, Rahkar Sanaye Novin
- Date of UN designation: 9.6.2010.
- (33) Nuclear Research Center for Agriculture and Medicine: The Nuclear Research Center for Agriculture and Medicine (NFRPC) is a large research component of the Atomic Energy Organization of Iran (AEOI), which was designated in resolution 1737 (2006). The NFRPC is AEOI's center for the development of nuclear fuel and is involved in enrichment-related activities.
- Location: P.O. Box 31585-4395, Karaj, Iran
- A.K.A.: Center for Agricultural Research and Nuclear Medicine; Karaji Agricultural and Medical Research Center
- Date of UN designation: 9.6.2010.
- (34) Niru Battery Manufacturing Company. Other information: (a) subsidiary of the DIO, (b) its role is to manufacture power units for the Iranian military including missile systems.
- Date of UN designation: 3.3.2008.
- (35) Novin Energy Company (*alias* Pars Novin). Other information: It operates within AEOI.
- Date of UN designation: 24.3.2007.
- (36) Parchin Chemical Industries. Other information: Branch of DIO.
- Date of UN designation: 24.3.2007.
- (37) Pars Aviation Services Company. Other information: maintains aircraft.
- Date of UN designation: 24.3.2007.
- (38) Pars Trash Company. Other information: (a) Involved in Iran's nuclear programme (centrifuge programme), (b) Identified in IAEA reports.
- Date of UN designation: 23.12.2006.
- (39) Pejman Industrial Services Corporation: Pejman Industrial Services Corporation is owned or controlled by, or acts on behalf of, SBIG.
- Location: P.O. Box 16785-195, Tehran, Iran.
- Date of UN designation: 9.6.2010.
- (40) Pishgam (Pioneer) Energy Industries. Other information: has participated in construction of the Uranium Conversion Facility at Esfahan.
- Date of UN designation: 3.3.2008.
- (41) Qods Aeronautics Industries. Other information: It produces unmanned aerial vehicles (UAVs), parachutes, paragliders, paramotors, etc.
- Date of UN designation: 24.3.2007.

- (42) Sabalan Company: Sabalan is a cover name for SHIG.
- Location: Damavand Tehran Highway, Tehran, Iran.
- Date of UN designation: 9.6.2010.
- (43) Sanam Industrial Group. Other information: subordinate to AIO.
- Date of UN designation: 24.3.2007.
- (44) Safety Equipment Procurement (SEP). Other information: AIO front-company, involved in the ballistic missile programme.
- Date of UN designation: 3.3.2008.
- (45) 7th of Tir. Other information: (a) Subordinate of DIO, widely recognised as being directly involved in Iran's nuclear programme, (b) Involved in Iran's nuclear programme.
- Date of UN designation: 23.12.2006.
- (46) Sahand Aluminum Parts Industrial Company (SAPICO): SAPICO is a cover name for SHIG.
- Location: Damavand Tehran Highway, Tehran, Iran.
- Date of UN designation: 9.6.2010.
- (47) Shahid Bagheri Industrial Group (SBIG). Other information: (a) Subordinate entity of AIO, (b) Involved in Iran's ballistic missile programme.
- Date of UN designation: 23.12.2006.
- (48) Shahid Hemmat Industrial Group (SHIG). Other information: (a) subordinate entity of AIO, (b) Involved in Iran's ballistic missile programme.
- Date of UN designation: 23.12.2006.
- (49) Shahid Karrazi Industries: Shahid Karrazi Industries is owned or controlled by, or act on behalf of, SBIG.
- Location: Tehran, Iran.
- Date of UN designation: 9.6.2010.
- (50) Shahid Sattari Industries: Shahid Sattari Industries is owned or controlled by, or acts on behalf of, SBIG.
- Location: Southeast Tehran, Iran
- A.K.A.: Shahid Sattari Group Equipment Industries.
- Date of UN designation: 9.6.2010.
- (51) Shahid Sayyade Shirazi Industries: Shahid Sayyade Shirazi Industries (SSSI) is owned or controlled by, or acts on behalf of, the DIO.
- Location: Next To Nirou Battery Mfg. Co, Shahid Babaii Expressway, Nobonyad Square, Tehran, Iran; Pasdaran St., P.O. Box 16765, Tehran 1835, Iran; Babaei Highway — Next to Niru M.F.G, Tehran, Iran.
- Date of UN designation: 9.6.2010.
- (52) Sho'a' Aviation. Other information: It produces microlights.
- Date of UN designation: 24.3.2007.

- (53) Special Industries Group: Special Industries Group (SIG) is a subordinate of DIO.

Location: Pasdaran Avenue, PO Box 19585/777, Tehran, Iran.

Date of EU designation: 24.7.2007 (UN: 9.6.2010).

- (54) TAMAS Company. Other information: (a) involved in enrichment-related activities, (b) TAMAS is an overarching body, under which four subsidiaries have been established, including one for uranium extraction to concentration and another in charge of uranium processing, enrichment and waste.

Date of EU designation: 24.4.2007 (UN: 3.3.2008).

- (55) Tiz Pars: Tiz Pars is a cover name for SHIG. Between April and July 2007, Tiz Pars attempted to procure a five axis laser welding and cutting machine, which could make a material contribution to Iran's missile program, on behalf of SHIG.

Location: Damavand Tehran Highway, Tehran, Iran.

Date of UN designation: 9.6.2010.

- (56) Ya Mahdi Industries Group. Other information: subordinate to AIO.

Date of UN designation: 24.3.2007.

- (57) Yazd Metallurgy Industries: Yazd Metallurgy Industries (YMI) is a subordinate of DIO.

Location: Pasdaran Avenue, Next To Telecommunication Industry, Tehran 16588, Iran; Postal Box 89195/878, Yazd, Iran; P.O. Box 89195-678, Yazd, Iran; Km 5 of Taft Road, Yazd, Iran.

A.K.A.: Yazd Ammunition Manufacturing and Metallurgy Industries, Directorate of Yazd Ammunition and Metallurgy Industries

Date of UN designation: 9.6.2010.

#### **B. Entities owned, controlled, or acting on behalf of the Islamic Revolutionary Guard Corps**

- (1) Fater (or Faater) Institute: Khatam al-Anbiya (KAA) subsidiary. Fater has worked with foreign suppliers, likely on behalf of other KAA companies on IRGC projects in Iran.

Date of UN designation: 9.6.2010.

- (2) Gharagahe Sazandegi Ghaem: Gharagahe Sazandegi Ghaem is owned or controlled by KAA

Date of UN designation: 9.6.2010.

- (3) Ghorb Karbala: Ghorb Karbala is owned or controlled by KAA.

Date of UN designation: 9.6.2010.

- (4) Ghorb Nooh: Ghorb Nooh is owned or controlled by KAA.

Date of UN designation: 9.6.2010.

- (5) Hara Company: Owned or controlled by Ghorb Nooh.

Date of UN designation: 9.6.2010.

- (6) Imensazan Consultant Engineers Institute: Owned or controlled by, or acts on behalf of, KAA.

Date of UN designation: 9.6.2010.

- (7) Khatam al-Anbiya Construction Headquarters: Khatam al-Anbiya Construction Headquarters (KAA) is an IRGC-owned company involved in large scale civil and military construction projects and other engineering activities. It undertakes a significant amount of work on Passive Defense Organization projects. In particular, KAA subsidiaries were heavily involved in the construction of the uranium enrichment site at Qom/Fordow.

Date of UN designation: 9.6.2010.

- (8) Makin: Makin is owned or controlled by or acting on behalf of KAA, and is a subsidiary of KAA.

Date of UN designation: 9.6.2010.

(9) Omran Sahel: Owned or controlled by Ghorb Nooh.

Date of UN designation: 9.6.2010.

(10) Oriental Oil Kish: Oriental Oil Kish is owned or controlled by or acting on behalf of KAA.

Date of UN designation: 9.6.2010.

(11) Rah Sahel: Rah Sahel is owned or controlled by or acting on behalf of KAA.

Date of UN designation: 9.6.2010.

(12) Rahab Engineering Institute: Rahab is owned or controlled by or acting on behalf of KAA, and is a subsidiary of KAA.

Date of UN designation: 9.6.2010.

(13) Sahel Consultant Engineers: Owned or controlled by Ghorb Nooh.

Date of UN designation: 9.6.2010.

(14) Sepanir: Sepanir is owned or controlled by or acting on behalf of KAA.

Date of UN designation: 9.6.2010.

(15) Sepasad Engineering Company: Sepasad Engineering Company is owned or controlled by or acting on behalf of KAA.

Date of UN designation: 9.6.2010.

**C. Entities owned, controlled, or acting on behalf of the Islamic Republic of Iran Shipping Lines (IRISL)**

(1) Irano Hind Shipping Company:

Location: 18 Mehrshad Street, Sadaghat Street, Opposite of Park Mellat, Vali-e-Asr Ave., Tehran, Iran; 265, Next to Mehrshad, Sedaghat St., Opposite of Mellat Park, Vali Asr Ave., Tehran 1A001, Iran

Date of UN designation: 9.6.2010.

(2) IRISL Benelux NV:

Location: Noorderlaan 139, B-2030, Antwerp, Belgium; V.A.T. Number BE480224531 (Belgium)

Date of UN designation: 9.6.2010.

(3) South Shipping Line Iran (SSL):

Location: Apt. No. 7, 3rd Floor, No. 2, 4th Alley, Gandhi Ave., Tehran, Iran; Qaem Magham Farahani St., Tehran, Iran

Date of UN designation: 9.6.2010.

## ANNEX II

## List of persons referred to in Article 19(1)(b) and of persons and entities referred to in Article 20(1)(b)

## I. Persons and entities involved in nuclear or ballistic missiles activities

## A. Persons

	Name	Identifying information	Reasons	Date of listing
1.	Reza AGHAZADEH	DoB: 15/3/1949 Passport number: S4409483 valid 26/4/2000 – 27/4/2010: Issued: Tehran, Diplomatic passport number: D9001950, issued on 22/1/2008 valid until 21/1/2013, Place of birth: Khoy	Former Head of the Atomic Energy Organisation of Iran (AEOI). The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	23.4.2007
2.	Ali DAVANDARI		Head of Bank Mellat (see Part B, no 4)	26.7.2010
3.	Dr Hoseyn (Hossein) FAQIHIAN	Address of NFPC: AEOI-NFPD, P.O.Box: 11365-8486, Tehran/Iran	Deputy and Director-General of the Nuclear Fuel Production and Procurement Company (NFPC) (see Part B, no 30), part of the AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006). The NFPC is involved in enrichment-related activities that Iran is required by the IAEA Board and Security Council to suspend.	23.4.2007
4.	Engineer Mojtaba HAERI		MODAFL Deputy for Industry. Supervisory role over AIO and DIO	23.6.2008
5.	Mahmood JANNATIAN	DoB 21/4/1946, passport number: T12838903	Deputy Head of the Atomic Energy Organisation of Iran	23.6.2008
6.	Said Esmail KHALILOPOUR (a.k.a.: LANGROUDI)	DoB: 24/11/1945, PoB: Langroud	Deputy Head of AEOI. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	23.4.2007
7.	Ali Reza KHANCHI	Address of NRC: AEOI-NRC P.O.Box: 11365-8486 Tehran/Iran; Fax: (+9821) 8021412	Head of AEOI's Tehran Nuclear Research Centre. The IAEA is continuing to seek clarification from Iran about plutonium separation experiments carried out at the TNRC, including about the presence of HEU particles in environmental samples taken at the Karaj Waste Storage Facility where containers used to store depleted uranium targets used in those experiments are located. The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	23.4.2007
8.	Ebrahim MAHMUDZADEH		Managing Director of Iran Electronic Industries (see Part B, no 20)	23.6.2008
9.	Fereydoun MAHMOUDIAN	Born on 7/11/1943 in Iran. Passport no 05HK31387 issued on 1/1/2002 in Iran, valid until 7/8/2010. Acquired French nationality on 7/5/2008	Director of Fulmen (see Part B, No 13)	26.7.2010
10.	Brigadier-General Beik MOHAMMADLU		MODAFL Deputy for Supplies and Logistics (see Part B, no 29)	23.6.2008

	Name	Identifying information	Reasons	Date of listing
11.	Mohammad MOKHBER		President of the Setad Ejraie foundation, an investment fund linked to Ali Khamenei, the Supreme Leader. Member of the Management Board of Sina Bank.	26.7.2010
12.	Mohammad Reza MOVASAGHNIA		Head of Samen Al A'Emmeh Industries Group (SAIG), also known as the Cruise Missile Industry Group. This organisation was designated under UNSCR 1747 and listed in Annex I to Common Position 2007/140/CFSP.	26.7.2010
13.	Anis NACCACHE		Administrator of Barzagani Tejarat Tavanmad Saccal companies; his company has attempted to procure sensitive goods for entities designated under Resolution 1737 (2006).	23.6.2008
14.	Brigadier-General Mohammad NADERI		Head of Aerospace Industries Organisation (AIO) (see Part B, no 1). AIO has taken part in sensitive Iranian programmes.	23.6.2008
15.	Ali Akbar SALEHI		Head of the Atomic Energy Organisation of Iran (AEOI). The AEOI oversees Iran's nuclear programme and is designated under UNSCR 1737 (2006).	17.11.2009
16.	Rear Admiral Mohammad SHAFI RUDSARI		MODAFL Deputy for Coordination (see Part B, no 29).	23.6.2008
17.	Abdollah SOLAT SANA		Managing Director of the Uranium Conversion Facility (UCF) in Esfahan. This is the facility that produces the feed material (UF6) for the enrichment facilities at Natanz. On 27 August 2006, Solat Sana received a special award from President Ahmadinejad for his role.	23.4.2007

## B. Entities

	Name	Identifying information	Reasons	Date of listing
1.	Aerospace Industries Organisation, AIO	AIO, 28 Shian 5, Lavizan, Tehran, Iran Langare Street, Nobonyad Square, Tehran, Iran	AIO oversees Iran's production of missiles, including Shahid Hemmat Industrial Group, Shahid Bagheri Industrial Group and Fajr Industrial Group, which were all designated under UNSCR 1737 (2006). The head of AIO and two other senior officials were also designated under UNSCR 1737 (2006)	23.4.2007
2.	Armed Forces Geographical Organisation		Assessed to provide geospatial data for the Ballistic Missile programme	23.6.2008
3.	Azarab Industries	Ferdowsi Ave, PO Box 11365-171, Tehran, Iran	Energy sector firm that provides manufacturing support to the nuclear programme, including designated proliferation sensitive activities. Involved in the construction of the Arak heavy-water reactor.	26.7.2010
4.	Bank Mellat (including all branches) and subsidiaries	Head Office Building, 327 Takeghani (Taleghani) Avenue, Tehran 15817, Iran; P.O. Box 11365-5964, Tehran 15817, Iran	Bank Mellat is a state-owned Iranian bank. Bank Mellat engages in a pattern of conduct which supports and facilitates Iran's nuclear and ballistic missile programmes. It has provided banking services to UN and EU listed entities or to entities acting on their behalf or at their direction, or to	26.7.2010

	Name	Identifying information	Reasons	Date of listing
	(a) Mellat Bank SB CJSC	P.O. Box 24, Yerevan 0010, Republic of Armenia	entities owned or controlled by them. It is the parent bank of First East Export Bank which is designated under UNSCR 1929.  100 % owned by Bank Mellat	26.7.2010
	(b) Persia International Bank Plc	Number 6 Lothbury, Post Code: EC2R 7HH, United Kingdom	60 % owned by Bank Mellat	26.7.2010
5.	Bank Melli, Bank Melli Iran (including all branches) and subsidiaries	Ferdowsi Avenue, PO Box 11365-171, Tehran, Iran	Providing or attempting to provide financial support for companies which are involved in or procure goods for Iran's nuclear and missile programmes (AIO, SHIG, SBIG, AEOI, Novin Energy Company, Mesbah Energy Company, Kalaye Electric Company and DIO). Bank Melli serves as a facilitator for Iran's sensitive activities. It has facilitated numerous purchases of sensitive materials for Iran's nuclear and missile programmes. It has provided a range of financial services on behalf of entities linked to Iran's nuclear and missile industries, including opening letters of credit and maintaining accounts. Many of the above companies have been designated by UNSCRs 1737 (2006) and 1747 (2007). Bank Melli continues in this role, by engaging in a pattern of conduct which supports and facilitates Iran's sensitive activities. Using its banking relationships, it continues to provide support for, and financial services to, UN and EU listed entities in relation to such activities. It also acts on behalf of, and at the direction of such entities, including Bank Sepah, often operating through their subsidiaries and associates.	23.6.2008
	(a) Arian Bank (a.k.a. Aryan Bank)	House 2, Street Number 13, Wazir Akbar Khan, Kabul, Afghanistan	Arian Bank is a joint-venture between Bank Melli and Bank Saderat.	26.7.2010
	(b) Assa Corporation	ASSA CORP, 650 (or 500) Fifth Avenue, New York, USA; Tax ID No. 1368932 (United States)	Assa Corporation is a front company created and controlled by Bank Melli. It was set up by Bank Melli to channel money from the United States to Iran.	26.7.2010
	(c) Assa Corporation Ltd	6 Britannia Place, Bath Street, St Helier JE2 4SU, Jersey Channel Islands	Assa Corporation Ltd is the parent organization of Assa Corporation. Owned or controlled by Bank Melli	26.7.2010
	(d) Bank Kargoshaee (a.k.a. Kargosai Bank, a.k.a Kargosa'i Bank)	587 Mohammadiye Square, Mowlavi St., Tehran 11986, Iran	Bank Kargoshaee is owned by Bank Melli.	26.7.2010
	(e) Bank Melli Iran Investment Company (BMIC)	No.2, Nader Alley, Vali-Asr Str., Tehran, Iran, P.O. Box 3898-15875; Alt. Location: Bldg 2, Nader Alley after Beheshi Forked Road, P.O. Box 15875-3898, Tehran, Iran 15116; Alt., Location: Rafiee Alley, Nader Alley, 2 After Serahi Shahid Beheshti, Vali E Asr Avenue, Tehran, Iran; Business Registration Number: 89584.	Affiliated with entities sanctioned by the United States, the European Union or or the United Nations since 2000. Designated by the United States for being owned or controlled by Bank Melli.	26.7.2010
	(f) Bank Melli Iran Zao	Number 9/1, Ulitsa Mashkova, Moscow, 130064, Russia		23.6.2008

Name	Identifying information	Reasons	Date of listing
(g) Bank Melli Printing and Publishing Company (BMPPC)	18th Km Karaj Special Road, Tehran, Iran, P.O. Box 37515-183; Alt. Location: Km 16 Karaj Special Road, Tehran, Iran; Business Registration Number 382231	Designated by the United States for being owned or controlled by Bank Melli	26.7.2010
(h) Cement Investment and Development Company (CIDCO) (a.k.a.: Cement Industry Investment and Development Company, CIDCO, CIDCO Cement Holding)	No. 241, Mirdamad Street, Tehran, Iran	Wholly owned by Bank Melli Investment Co. Holding Company to manage all cement companies owned by BMIIC	26.7.2010
(i) First Persian Equity Fund	Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002, Cayman Islands; Alt. Location: Clifton House, 7z5 Fort Street, P.O. Box 190, Grand Cayman, KY1-1104; Cayman Islands; Alt. Location: Rafi Alley, Vali Asr Avenue, Nader Alley, Tehran, 15116, Iran, P.O.Box 15875-3898	Cayman-based fund licensed by the Iranian Government for foreign investment in the Tehran Stock Exchange	26.7.2010
(j) Future Bank BSC	Block 304, City Centre Building, Building 199, Government Avenue, Road 383, Manama, Bahrain; P.O. Box 785, City Centre Building, Government Avenue, Manama, Bahrain, and all branches worldwide; Business Registration Document: 54514-1 (Bahrain) expires 9 June 2009; Trade License No: 13388 (Bahrain)	Bahrain-based joint-venture majority owned and controlled by Bank Melli and Bank Saderat. Chairman of Bank Melli was also chairman of Future Bank	26.7.2010
(k) Mazandaran Cement Company	Africa Street, Sattari Street No. 40, P.O. Box 121, Tehran, Iran 19688; Alt Location: 40 Satari Ave. Afrigha Highway, P.O. Box 19688, Tehran, Iran	Tehran-based cement company majority-owned by CIDCO. Involved in large-scale construction projects	26.7.2010
(l) Mazandaran Textile Company	Kendovan Alley 5, Vila Street, Enghelab Ave, P.O. Box 11365-9513, Tehran, Iran 11318; Alt. Location: 28 Candovan Cooy Enghelab Ave., P.O. Box 11318, Tehran, Iran; Alt. Location: Sari Ave., Ghaemshahr, Iran	Tehran-based textile company majority-owned by BMIIC and Bank Melli Investment Management Co.	26.7.2010
(m) Mehr Cayman Ltd.	Cayman Islands; Commercial Registry Number 188926 (Cayman Islands)	Owned or controlled by Bank Melli	26.7.2010
(n) Melli Agrochemical Company PJS (a.k.a: Melli Shimi Keshavarz)	Mola Sadra Street, 215 Khordad, Sadr Alley No. 13, Vanak Sq., P.O. Box 15875-1734, Tehran, Iran	Owned or controlled by Bank Melli	26.7.2010
(o) Melli Bank plc	London Wall, 11th floor, London EC2Y 5EA, United Kingdom		23.6.2008
(p) Melli Investment Holding International	514 Business Avenue Building, Deira, P.O. Box 181878, Dubai, United Arab Emirates; Registration Certificate Number (Dubai) 0107 issued 30. Nov 2005.	Owned or controlled by Bank Melli	26.7.2010

	Name	Identifying information	Reasons	Date of listing
	(q) Shomal Cement Company (a.k.a: Siman Shomal)	Dr Beheshti Ave No. 289, Tehran, Iran 151446; Alt. Location: 289 Shahid Baheshti Ave., P.O. Box 15146, Tehran, Iran	Owned or controlled by, or acts on behalf of DIO	26.7.2010
6.	Bank Refah	40, North Shiraz Street, Mollasadra Ave., Vanak Sq., Tehran, Iran	Bank Refah has taken over ongoing operations from Bank Melli in the wake of the sanctions imposed on the latter by the European Union.	26.7.2010
7.	Bank Saderat Iran (including all branches) and subsidiaries:	Bank Saderat Tower, 43 Somayeh Ave, Tehran, Iran.	Bank Saderat is an Iranian state-owned bank (94 %-owned by IRN government). Bank Saderat has provided financial services for entities procuring on behalf of Iran's nuclear and ballistic missile programmes, including entities designated under UNSCR 1737. Bank Saderat handled DIO (sanctioned in UNSCR 1737) and Iran Electronics Industries payments and letters of credit as recently as March 2009. In 2003 Bank Saderat handled letter of credit on behalf of IRN nuclear-related Mesbah Energy Company (subsequently sanctioned in UNSR 1737).	26.7.2010
	(a) Bank Saderat PLC (London)	5 Lothbury, London, EC2R 7 HD, UK	100 % owned subsidiary of Bank Saderat	
8.	Banque Sina	187, Avenue Motahari, Teheran, Iran	This bank is very closely linked to the interests of 'Daftar' (Office of the Supreme Leader, with an administration of some 500 collaborators). It contributes in this way to funding the regime's strategic interests.	26.7.2010
9.	ESNICO (Equipment Supplier for Nuclear Industries Corporation)	No 1, 37th Avenue, Asadabadi Street, Tehran, Iran	Procures industrial goods, specifically for the nuclear programme activities carried out by AEOI, Novin Energy and Kalaye Electric Company (all designated under UNSCR 1737). ESNICO's Director is Haleh Bakhtiar (designated in UNSCR 1803).	26.7.2010
10.	Etemad Amin Invest Co Mobin	Pasadaran Av. Tehran, Iran	Close to Naftar and to Bonyad-e Mostazafan, Etemad Amin Invest Co Mobin contributes to funding the strategic interests of the regime and of the parallel Iranian state.	26.7.2010
11.	Export Development Bank of Iran (EDBI) (including all branches) and subsidiaries:	Export Development Building, next to the 15th Alley, Bokharest Street, Argentina Square, Tehran, Iran; Tose'e Tower, corner of 15th St, Ahmad Qasir Ave., Argentine Square, Tehran, Iran; No. 129, 21 's Khaled Eslamboli, No. 1 Building, Tehran, Iran; C.R. No. 86936 (Iran)	The Export Development Bank of Iran (EDBI) has been involved in the provision of financial services to companies connected to Iran's programmes of proliferation concern and has helped UN-designated entities to circumvent and breach sanctions. It provides financial services to MODAFL-subordinate entities and to their front companies which support Iran's nuclear and ballistic missile programmes. It has continued to handle payments for Bank Sepah, post-designation by the UN, including payments related to Iran's nuclear and ballistic missile programmes. EDBI has handled transactions linked to Iran's defence and missile entities, many of which have been sanctioned by UNSC. EDBI served as a leading intermediary handling Bank Sepah's (sanctioned by UNSC since 2007) financing, including WMD-related payments. EDBI provides financial services to various MODAFL entities and has	26.7.2010

	Name	Identifying information	Reasons	Date of listing
	(a) EDBI Exchange Company	Tose'e Tower, corner of 15th St., Ahmad Qasir Ave.; Argentine Square, Tehran, Iran	facilitated ongoing procurement activities of front companies associated with MODAFL entities.  Tehran-based EDBI Exchange Company is 70 %-owned by Export Development Bank of Iran (EDBI). It was designated by the United States in October 2008 for being owned or controlled by EDBI.	26.7.2010
	(b) EDBI Stock Brokerage Company	Tose'e Tower, corner of 15th St., Ahmad Qasir Ave.; Argentine Square, Tehran, Iran	Tehran-based EDBI Stock Brokerage Company is a wholly owned subsidiary of Export Development Bank of Iran (EDBI). It was designated by the United States in October 2008 for being owned or controlled by EDBI.	26.7.2010
	(c) Banco Internacional De Desarrollo CA	Urb. El Rosal, Avenida Francesco de Miranda, Edificio Dozsa, Piso 8, Caracas C.P. 1060, Venezuela	Banco Internacional De Desarrollo CA is owned by the Export Development Bank of Iran.	26.7.2010
12.	Fajr Aviation Composite Industries	Mehrabad Airport, PO Box 13445-885, Tehran, Iran	A subsidiary of the IAIO within MODAFL (see no 29), which primarily produces composite materials for the aircraft industry, but also linked to the development of carbon fibre capabilities for nuclear and missile applications. Linked to the Technology Cooperation Office. Iran has recently announced its intention to mass produce new generation centrifuges which will require FACI carbon fibre production capabilities.	26.7.2010
13.	Fulmen	167 Darya boulevard - Shahrak Ghods, 14669 - 8356 Tehran.	Fulmen was involved in the installation of electrical equipment on the Qom/Fordoo site before its existence had been revealed.	26.7.2010
	(a) Arya Niroo Nik	Suite 5 - 11th floor - Nahid Bldg, Shahnazari Street - Mohseni Square Tehran	Arya Niroo Nik is a front company used by Fulmen for some of its operations.	26.7.2010
14.	Future Bank BSC	Block 304. City Centre Building. Building 199, Government Avenue, Road 383, Manama, Bahrain. PO Box 785; Business Registration 2k Document: 54514-1 (Bahrain) expires 9 Jun 2009; Trade License No 13388 (Bahrain)	Two-thirds of Bahrain-based Future Bank are owned by Iranian state banks. EU-designated Bank Mellī and Bank Saderat each own one-third of the shares, the remaining third being held by Ahli United Bank (AUB) of Bahrain. Although AUB still owns its shares of Future Bank, according to its 2007 annual report, AUB no longer exercises significant influence over the bank which is effectively controlled by its Iranian parents both of which are singled out in UNSCR 1803 as Iranian banks requiring particular 'vigilance'. The tight links between Future Bank and Iran are further evidenced by the fact that the Chairman of Bank Mellī has also held concurrently the position of Chairman of Future Bank.	26.7.2010
15.	Industrial Development & Renovation Organization (IDRO)		Government body responsible for acceleration of Iran's industrialisation. Controls various companies involved in work for the nuclear and missile programmes and involved in the foreign procurement advanced manufacturing technology in order to support them.	26.7.2010

	Name	Identifying information	Reasons	Date of listing
16.	Iran Aircraft Industries (IACI)		A subsidiary of the IAIO within MODAFL (see no 29). Manufactures, repairs, and conducts overhauls of airplanes and aircraft engines and procures aviation-related parts often of US-origin typically via foreign intermediaries. IACI and its subsidiaries have also been detected using a worldwide network of brokers seeking to procure aviation-related goods.	26.7.2010
17.	Iran Aircraft Manufacturing Company (a.k.a: HESA, HESA Trade Center, HTC, IAMCO, IAMI, Iran Aircraft Manufacturing Company, Iran Aircraft Manufacturing Industries, Karkhanejate Sanaye Havapaymaie Iran, Hava Peyma Sazi-e Iran, Havapeyma Sazhran, Havapeyma Sazi Iran, Hevapeimasazi)	P.O. Box 83145-311, 28 km Esfahan – Tehran Freeway, Shahin Shahr, Esfahan, Iran; P.O. Box 14155-5568, No. 27 Ahahamat Ave., Vallie Asr Square, Tehran 15946, Iran; P.O. Box 81465-935, Esfahan, Iran; Shahih Shar Industrial Zone, Isfahan, Iran; P.O. Box 8140, No. 107 Sepahbod Gharany Ave., Tehran, Iran	Owned or controlled by, or acts on behalf of; MODAFL (see no 29).	26.7.2010
18.	Iran Centrifuge Technology Company (a.k.a. TSA or TESA)		TESA has taken over the activities of Farayand Technique (designated under UNSCR 1737). It manufactures uranium enrichment centrifuge parts, and is directly supporting proliferation sensitive activity that Iran is required to suspend by UNSCRs. Carries out work for Kalaye Electric Company (designated under UNSCR 1737).	26.7.2010
19.	Iran Communications Industries (ICI)	PO Box 19295-4731, Pasdaran Avenue, Tehran, Iran; Alternative address: PO Box 19575-131, 34 Apadana Avenue, Tehran, Iran; Alternative address: Shahid Langary Street, Nobonyad Square Ave, Pasdaran, Tehran	Iran Communications Industries, a subsidiary of Iran Electronics Industries (see no 20), produces various items including communication systems, avionics, optics and electro-optics devices, micro-electronics, information technology, test and measurement, telecommunication security, electronic warfare, radar tube manufacture and refurbishment, and missile launchers. These items can be used in programmes that are under sanction per UNSCR 1737.	26.7.2010
20.	Iran Electronics Industries (including all branches) and subsidiaries:	P. O. Box 18575-365, Tehran, Iran	Wholly-owned subsidiary of MODAFL (and therefore a sister-organisation to AIO, AvIO and DIO). Its role is to manufacture electronic components for Iranian weapons systems.	23.6.2008
	(a) Isfahan Optics	P.O. Box 81465-117, Isfahan, Iran	Owned, controlled by, or acts on behalf of Iran Electronics Industries	26.7.2010
21.	Iran Insurance Company (a.k.a. Bimeh Iran)	P.O. Box 14155-6363, 107 Fatemi Ave., Tehran, Iran	Iran Insurance Company has insured the purchase of various items that can be used in programmes that are sanctioned by UNSCR 1737. Purchased items insured include helicopter spare parts, electronics, and computers with applications in aircraft and missile navigation.	26.7.2010
22.	Iranian Aviation Industries Organization (IAIO)	107 Sepahbod Gharani Avenue, Tehran, Iran	A MODAFL (see no 29) organisation responsible for planning and managing Iran's military aviation industry.	26.7.2010

	Name	Identifying information	Reasons	Date of listing
23.	Javedan Mehr Toos		Engineering firm that procures for the Atomic Energy Organisation of Iran which was designated under UNSCR 1737.	26.7.2010
24.	Kala Naft	Kala Naft Tehran Co, P.O. Box 15815/1775, Gharani Avenue, Tehran, Iran; No 242 Shahid Kalantri Street - Near Karim Khan Bridge - Sepahbod Gharani Avenue, Teheran; Kish Free Zone, Trade Center, Kish Island, Iran; Kala Ltd., NIOC House, 4 Victoria Street, London Sw1H1	Trades equipment for oil and gas sector that can be used for Iran's nuclear programme. Attempted to procure material (very hard-wearing alloy gates) which have no use outside the nuclear industry. Has links to companies involved in Iran's nuclear programme.	26.7.2010
25.	Machine Sazi Arak	4th km Tehran Road, PO Box 148, Arak, Iran	Energy sector firm affiliated with IDRO that provides manufacturing support to the nuclear programme, including designated proliferation sensitive activities. Involved in the construction of the Arak heavy-water reactor. UK distributed an export denial notice in July 2009 against Machine Sazi Arak for an 'alumina graphite stopper rod'. In May 2009 Sweden denied the export to Machine Sazi Arak of 'cladding of dish ends for pressure vessels'.	26.7.2010
26.	Marine Industries	Pasdaran Av., PO Box 19585/ 777, Tehran	A subsidiary of the DIO	23.4.2007
27.	MASNA (Moierat Saakht Niroogahye Atomi Iran) Managing Company for the Construction of Nuclear Power Plants		Subordinate to AEOI and Novin Energy (both designated under UNSCR 1737). Involved in the development of nuclear reactors.	26.7.2010
28.	Mechanic Industries Group		Took part in the production of components for the ballistics programme.	23.6.2008
29.	Ministry of Defence and Armed Forces Logistics (MODAFL)	West side of Dabestan Street, Abbas Abad District, Tehran	Responsible for Iran's defence research, development and manufacturing programmes, including support to missile and nuclear programmes.	23.6.2008
30.	Nuclear Fuel Production and Procurement Company (NFPC)	AEOI-NFPD, P.O.Box: 11365-8486, Tehran/Iran P.O. Box 14144-1339, Endof North Karegar Ave., Tehran, Iran	Nuclear Fuel Production Division (NFPD) of AEOI runs research and development in the field of nuclear fuel cycle including uranium exploration, mining, milling, conversion and nuclear waste management. The NFPC is the successor to the NFPD, the subsidiary company under the AEOI that runs research and development in the nuclear fuel cycle including conversion and enrichment.	23.4.2007
31.	Parchin Chemical Industries		Worked on propulsion techniques for the Iranian ballistics programme.	23.6.2008
32.	Parto Sanat Co	No. 1281 Valiasr Ave., Next to 14th St., Tehran, Iran.	Manufacturer of frequency changers and it is capable of developing/modifying imported foreign frequency changers in a way that makes them usable in gas centrifuge enrichment. It is deemed to be involved in nuclear proliferation activities.	26.7.2010
33.	Passive Defense Organization		Responsible for the selection and construction of strategic facilities, including – according to Iranian statements - the uranium enrichment site at Fordow (Qom) built without being declared to the IAEA contrary to Iran's obligations (affirmed in a resolution by the IAEA Board of Governors). Brigadier General Gholam-Reza Jalali, former IRGC is PDO's chairman.	26.7.2010

	Name	Identifying information	Reasons	Date of listing
34.	Post Bank	237, Motahari Ave., Tehran, Iran 1587618118	Post Bank has evolved from being an Iranian domestic bank to a bank which facilitates Iran's international trade. Acts on behalf of Bank Sepah (designated under UNSCR 1747), carrying out Bank Sepah's transactions and hiding Bank Sepah's connection with transactions in order to circumvent sanctions. In 2009 Post Bank facilitated business on behalf of Bank Sepah between Iran's defence industries and overseas beneficiaries. Has facilitated business with front company for DPRK's Tranchon Commercial Bank, known for facilitating proliferation-related business between Iran and the DPRK.	26.7.2010
35.	Raka		A department of Kalaye Electric Company (designated under UNSCR 1737). Established in late 2006, it was responsible for the construction of the Uranium enrichment plant at Fordow (Qom).	26.7.2010
36.	Research Institute of Nuclear Science & Technology (a.k.a. Nuclear Science & Technology Research Institute)		Subordinate to the AEOI and continuing the work of its former Research Division. Its managing director is AEOI Vice President Mohammad Ghannadi (designated in UNSCR 1737).	26.7.2010
37.	Schiller Novin	Gheytariyeh Avenue - no 153 - 3rd Floor - PO BOX 17665/153 6 19389 Teheran	Acting on behalf of Defense Industries Organisation (DIO).	26.7.2010
38.	Shahid Ahmad Kazemi Industrial Group		SAKIG develops and produces surface-to-air missiles systems for Iran's military. It maintains military, missile, and air defense projects and procures goods from Russia, Belarus, and North Korea.	26.7.2010
39.	Shakhese Behbud Sanat		Involved in the production of equipment and parts for the nuclear fuel cycle.	26.7.2010
40.	State Purchasing Organisation (SPO)		The SPO appears to facilitate the import of whole weapons. It appears to be a subsidiary of MODAFL	23.6.2008
41.	Technology Cooperation Office (TCO) of the Iranian President's Office	Tehran, Iran	Responsible for Iran's technological advancement through relevant foreign procurement and training links. Supports the nuclear and missile programmes.	26.7.2010
42.	Yasa Part, (including all branches) and subsidiaries:		Company dealing with procurement activities related to the purchase of materials and technologies necessary to nuclear and ballistic programmes.	26.7.2010
	(a) Arfa Paint Company		Acting on behalf of Yasa Part.	26.7.2010
	(b) Arfeh Company		Acting on behalf of Yasa Part.	26.7.2010
	(c) Farasepehr Engineering Company		Acting on behalf of Yasa Part.	26.7.2010
	(d) Hosseini Nejad Trading Co.		Acting on behalf of Yasa Part.	26.7.2010

	Name	Identifying information	Reasons	Date of listing
	(e) Iran Saffron Company or Iransaffron Co.		Acting on behalf of Yasa Part.	26.7.2010
	(f) Shetab G.		Acting on behalf of Yasa Part.	26.7.2010
	(g) Shetab Gaman		Acting on behalf of Yasa Part.	26.7.2010
	(h) Shetab Trading		Acting on behalf of Yasa Part.	26.7.2010
	(i) Y.A.S. Co. Ltd		Acting on behalf of Yasa Part.	26.7.2010

## II. Islamic Revolutionary Guard Corps (IRGC)

### A. Persons

	Name	Identifying information	Reasons	Date of listing
1.	IRGC Brigadier-General Javad DARVISH-VAND		MODAFL Deputy for Inspection. Responsible for all MODAFL facilities and installations	23.6.2008
2.	Rear Admiral Ali FADAVI		Commander of IRGC Navy	26.7.2010
3.	Parviz FATAH	born 1961	Khatam al Anbiya's number two	26.7.2010
4.	IRGC Brigadier-General Seyyed Mahdi FARAHI		Managing Director of the Defence Industries Organisation (DIO) which is designated under UNSCR 1737 (2006)	23.6.2008
5.	IRGC Brigadier-General Ali HOSEYNITASH		Head of the General Department of the Supreme National Security Council and involved in formulating policy on the nuclear issue	23.6.2008
6.	IRGC Mohammad Ali JAFARI		Holds a command post at the IRGC	23.6.2008
7.	IRGC Brigadier-General Mostafa Mohammad NAJJAR		Minister for the Interior and former Minister of MODAFL, responsible for all military programmes, including ballistic missiles programmes.	23.6.2008
8.	BrigGen Mohammad Reza NAQDI	Born in 1953, Nadjaf (Iraq)	Commander of Basij Resistance Force	26.7.2010
9.	BrigGen Mohammad PAKPUR		Commander of IRGC Ground Forces	26.7.2010
10.	Rostam QASEMI (a.k.a. Rostam GHASEMI)	Born in 1961	Commander of Khatam al-Anbiya	26.7.2010
11.	BrigGen Hossein SALAMI		Deputy Commander of IRGC	26.7.2010
12.	IRGC Brigadier-General Ali SHAMSHIRI		MODAFL Deputy for Counter-Intelligence, responsible for security of MODAFL personnel and Installations	23.6.2008
13.	IRGC Brigadier-General Ahmad VAHIDI		Minister of the MODAFL and former Deputy Head of MODAFL	23.6.2008

## B. Entities

	Name	Identifying information	Reasons	Date of listing
1.	Islamic Revolutionary Guard Corps (IRGC)	Tehran, Iran	Responsible for Iran's nuclear programme. Has operational control for Iran's ballistic missile programme. Has undertaken procurement attempts to support Iran's ballistic missiles and nuclear programmes	26.7.2010
2.	IRGC Air Force		Operates Iran's inventory of short and medium range ballistic missiles. The head of the IRGC air force was designated by UNSCR 1737 (2006)	23.6.2008
3.	IRGC-Air Force Al-Ghadir Missile Command		The IRGC-Air Force Al-Ghadir Missile Command is a specific element within the IRGC Air Force that has been working with SBIG (designated under UNSCR 1737) with the FATEH 110, short range ballistic missiles well as the Ashura medium range ballistic missile. This command appears to be the entity that actually has the operational control of the missiles.	26.7.2010
4.	Naserin Vahid		Naserin Vahid produces weapons parts on behalf of the IRGC. An IRGC front company.	26.7.2010
5.	IRGC Qods Force	Tehran, Iran	Iran's Islamic Revolutionary Guard Corps (IRGC) Qods Force is responsible for operations outside Iran and is Tehran's principal foreign policy tool for special operations and support to terrorists and Islamic militants abroad. Hizballah used Qods Force-supplied rockets, anti-ship cruise missiles (ASCMs), man-portable air defense systems (MANPADS), and unmanned aerial vehicles (UAVs) in the 2006 conflict with Israel and benefited from Qods Force training on these systems, according to press reporting. According to a variety of reports, the Qods Force continues to re-supply and train Hizballah on advanced weaponry, anti-aircraft missiles, and long-range rockets. The Qods Force continues to provide limited lethal support, training, and funding to Taliban fighters in southern and western Afghanistan including small arms, ammunition, mortars, and short-range battlefield rockets. Commander has been sanctioned under UNSCR	26.7.2010
6.	Sepanir Oil and Gas Energy Engineering Company (a.k.a. Sepah Nir)		A subsidiary of Khatam al-Anbya Construction Headquarters which was designated under UNSCR 1929. Sepanir Oil and Gas Engineering Company is participating in Iran's South Pars offshore Phase 15-16 gas field development project.	26.7.2010

## III. Islamic Republic of Iran Shipping Lines (IRISL)

	Name	Identifying information	Reasons	Date of listing
1.	Islamic Republic of Iran Shipping Lines (IRISL) (including all branches) and subsidiaries:	No. 37, Aseman Tower, Sayyade Shirazee Square, Pasdaran Ave., PO Box 19395-1311. Tehran. Iran; No. 37, Corner of 7th Narenjestan, Sayad Shirazi Square, After Noboyand Square, Pasdaran Ave., Tehran, Iran	IRISL has been involved in the shipment of military-related cargo, including proscribed cargo from Iran. Three such incidents involved clear violations that were reported to the UN Security Council Iran Sanctions Committee. IRISL's connection to proliferation was such that the UNSC called on states to conduct inspections of IRISL vessels, provided there are reasonable grounds to believe that the vessel is	26.7.2010

Name	Identifying information	Reasons	Date of listing
		transporting proscribed goods, in UNSCRs 1803 and 1929.	
a) Bushehr Shipping Company Limited (Tehran)	143/1 Tower Road Sliema, Slm 1604, Malta; c/o Hafiz Darya Shipping Company, Ehteshamiyeh Square 60, Neyestani 7, Pasdaran, Tehran, Iran	Owned or controlled by IRISL	26.7.2010
b) CISCO Shipping Company Ltd (a.k.a IRISL Korea Ltd)	Has offices in Seoul and Busan, South Korea.	Acts on behalf of IRISL in South Korea	26.7.2010
c) Hafize Darya Shipping Lines (HDSL) (a.k.a HDS Lines)	No. 60 Ehteshamiyeh Square, 7th Neyestan Street, Pasdaran Avenue, Tehran, Iran; Alternative Address: Third Floor of IRISL's Aseman Tower	Acts on behalf of IRISL performing container operations using vessels owned by IRISL.	26.7.2010
d) Hanseatic Trade Trust & Shipping (HTTS) GmbH	Schottweg 7, 22087 Hamburg, Germany; Opp 7th Alley, Zarafshan St, Eivanak St, Qods Township; HTTS GmbH,	Acts on behalf of HDSL in Europe.	26.7.2010
e) Irano Misr Shipping Company	No 41, 3rd Floor, Corner of 6th Alley, Sunaei Street, Karim Khan Zand Ave, Tehran; 265, Next to Mehrshad, Sedaghat St., Opposite of Mellat Park, Vali Asr Ave., Tehran 1A001, Iran; 18 Mehrshad Street, Sadaghat St., Opposite of Mellat Park, Vali Asr Ave., Tehran 1A001, Iran	Acts on behalf of IRISL, along the Suez Canal and in Alexandria and Port Said. 51 %-owned by IRISL.	26.7.2010
f) Irinvestship Ltd	Global House, 61 Petty France, London SW1H 9EU, United Kingdom; Business Registration Document # 4110179 (United Kingdom)	Owned by IRISL. Provides financial, legal, and insurance services for IRISL as well as marketing, chartering, and crew management.	26.7.2010
g) IRISL (Malta) Ltd	Flat 1, 181 Tower Road, Sliema SLM 1605, Malta	Acts on behalf of IRISL in Malta. A joint venture with German and Maltese shareholding. IRISL has been using the Malta route since 2004 and uses Freeport as a trans-shipment hub between the Persian Gulf and Europe.	26.7.2010
h) IRISL (UK) Ltd (Barking, Felixstowe)	Business Registration Document # 4765305 2 Abbey Rd., Baring, Essex IG11 7 AX, United Kingdom; IRISL (UK) Ltd., Walton Ave., Felixstowe, Suffolk, IP11 3HG, United Kingdom	50 % owned by Irinvestship Ltd and 50 % by British Company Johnson Stevens Agencies Ltd. Provides coverage of a cargo and container service between Europe and the Middle East and also two separate services between the Far East and the Middle East	26.7.2010
i) IRISL Club	No 60 Ehteshamiyeh Square, 7th Neyestan Street, Pasdaran Avenue, Tehran	Owned by IRISL.	26.7.2010
j) IRISL Europe GmbH (Hamburg)	Schottweg 5, 22087 Hamburg, Germany V.A.T. Number DE217283818 (Germany)	IRISL's agent in Germany.	26.7.2010
k) IRISL Marine Services and Engineering Company	Sarbandar Gas Station PO Box 199, Bandar Imam Khomeini, Iran; Karim Khan Zand Ave, Iran Shahr Shomai, No 221, Tehran, Iran; No 221, Northern Iranshahr Street, Karim Khan Ave, Tehran, Iran	Owned by IRISL. Provides fuel, bunkers, water, paint, lubricating oil and chemicals required by IRISL's vessels. The company also provides maintenance supervision of ships as well as facilities and services for the crew members. IRISL subsidiaries have used US dollar-denominated bank accounts registered under cover-names in Europe and the Middle East to facilitate routine fund	26.7.2010

	Name	Identifying information	Reasons	Date of listing
			transfers. IRISL has facilitated repeated violations of provisions of UNSCR 1747.	
	l) IRISL Multimodal Transport Company	No 25, Shahid Arabi Line, Sanaei St, Karim Khan Zand Zand St Tehran, Iran	Owned by IRISL. Responsible for the transporting of cargo by rail. It is a wholly controlled subsidiary of IRISL.	26.7.2010
	m) IRITAL Shipping SRL	Commercial Registry Number: GE 426505 (Italy); Italian Fiscal Code: 03329300101 (Italy); V.A.T. Number: 12869140157 (Italy) Ponte Francesco Morosini 59, 16126 Genova (GE), Italy;	Point of contact for ECL and PCL services. Used by the DIO subsidiary Marine Industries Group (MIG; now known as Marine Industries Organization, MIO) which is responsible for the design and construction of various marine structures and both military and non -military vessels. DIO was designated under UNSCR 1737.	26.7.2010
	n) ISI Maritime Limited (Malta)	147/1 St. Lucia Street, Valetta, Vlt 1185, Malta; c/o IranoHind Shipping Co. Ltd., Mehrshad Street, PO Box 15875, Tehran, Iran	Owned or controlled by IRISL	26.7.2010
	o) Khazer Shipping Lines (Bandar Anzali)	No. 1; End of Shahid Mostafa Khomeini St., Tohid Square, O.O. Box 43145, Bandar Anzali 1711-324, Iran; M. Khomeini St., Ghazian, Bandar Anzali, Gilan, Iran	100 % owned subsidiary of IRISL. Total fleet of six vessels. Operates in the Caspian Sea. Has facilitated shipments involving UN- and US-designated entities, such as Bank Mellli, by shipping cargo of proliferation concern from countries like Russia and Kazakhstan to Iran.	26.7.2010
	p) Leadmarine (a.k.a. Asia Marine Network Pte Ltd aka IRISL Asia Pte Ltd)	200 Middle Road #14-01 Prime Centre Singapore 188980 (alt. 199090)	Leadmarine, acts on behalf of HDSL in Singapore. Previously known as Asia Marine Network Pte Ltd and IRISL Asia Pte Ltd, and acted on behalf of IRISL in Singapore.	26.7.2010
	q) Marble Shipping Limited (Malta)	143/1 Tower Road, Sliema, Slm 1604, Malta	Owned or controlled by IRISL.	26.7.2010
	r) Oasis Freight Agencies (a.k.a. Pacific Shipping Company)	Al Meena Street, Opposite Dubai Ports & Customs, 2nd Floor, Sharaf Building, Dubai UAE; Sharaf Building, 1st Floor, Al Mankhool St., Bur Dubai, P.O. Box 5562, Dubai, United Arab Emirates; Sharaf Building, No. 4, 2nd Floor, Al Meena Road, Opposite Customs, Dubai, United Arab Emirates, Kayed Ahli Building, Jamal Abdul Nasser Road (Parallel to Al Wahda St.), P.O. Box 4840, Sharjah, United Arab Emirates	A joint venture company between IRISL and the UAE-based firm Sharif Shipping Company. Acts on behalf of IRISL in the UAE providing fuel and stores, equipment, spare parts, and ship repairs. Now known as Pacific Shipping Company who act on behalf of HDSL.	26.7.2010
	s) Safiran Payam Darya Shipping Lines (SAPID)	33 Eighth Narenjestan, Artesh Street, PO Box 19635-1116, Tehran, Iran; Alternative Address: Third Floor of IRISL's Aseman Tower	Acts on behalf of IRISL performing bulk services	26.7.2010
	t) Santexlines (a.k.a. IRISL China Shipping Company Ltd, a.k.a. Yi Hang Shipping Company)	Suite 1501, Shanghai Zhongrong Plaza, 1088, Pudong(S) road, Shanghai 200122, Shanghai, China Alternative Address: F23A-D, Times Plaza No. 1, Taizi Road, Shekou, Shenzhen 518067, China	Santexlines act on behalf of HDSL. Previously known as IRISL China shipping Company, it acted on behalf of IRISL in China.	26.7.2010
	u) Shipping Computer Services Company (SCSCOL)	No 37 Asseman Shahid Sayyad Shirazee sq., Pasdaran ave., P.O. Box 1587553 1351, Tehran, Iran; No 13, 1st Floor, Abgan Alley, Aban ave., Karimkhan Zand Blvd, Tehran 15976, Iran.	Owned or controlled by, or acts on behalf of, IRISL	26.7.2010

Name	Identifying information	Reasons	Date of listing
v) Soroush Saramin Asatir (SSA)	No 14 (alt. 5) Shabnam Alley, Fajr Street, Shahid Motahari Avenue, PO Box 196365-1114, Tehran Iran	Acts on behalf of IRISL. A Tehran-based ship management company acts as technical manager for many of SAPID's vessels	26.7.2010
w) South Way Shipping Agency Co Ltd	No. 101, Shabnam Alley, Ghaem Magham Street, Tehran, Iran	Controlled by IRISL and acts for IRISL in Iranian ports overseeing such tasks as loading and unloading.	26.7.2010
x) Valfajr 8th Shipping Line Co. (a.k.a. Valfajr)	Abyar Alley, Corner of Shahid Azodi St. & Karim Khan Zand Ave. Tehran, Iran; Shahid Azodi St. Karim Khan Zand Zand Ave., Abiar Alley. PO Box 4155, Tehran, Iran	A 100 % owned subsidiary of IRISL. It conducts transfers between Iran and the Gulf States such as Kuwait, Qatar, Bahrain, UAE, and Saudi Arabia. Valfajr is a Dubai-based subsidiary of Islamic Republic of Iran Shipping Lines (IRISL) that provides ferry and feeder services, and sometimes couriers freight and passengers across the Persian Gulf. Valfajr in Dubai booked ship crews, booked supply vessel services, prepared ships for arrival and departure and for loading and unloading in port. Valfajr has port calls in the Persian Gulf and India. As of mid-June 2009, Valfajr shared the same building with IRISL in Port Rashid in Dubai, United Arab Emirates (UAE), and also shared the same building with IRISL in Tehran, Iran.	26.7.2010

**COUNCIL DECISION 2012/35/CFSP**

**of 23 January 2012**

**amending Decision 2010/413/CFSP concerning restrictive measures against Iran**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 29 thereof,

Whereas:

- (1) On 27 February 2007, the Council adopted Common Position 2007/140/CFSP concerning restrictive measures against Iran <sup>(1)</sup> which implemented United Nations Security Council Resolution (UNSCR) 1737 (2006).
- (2) On 23 April 2007, the Council adopted Common Position 2007/246/CFSP <sup>(2)</sup> which implemented UNSCR 1747 (2007).
- (3) On 7 August 2008, the Council adopted Common Position 2008/652/CFSP <sup>(3)</sup> which implemented UNSCR 1803 (2008).
- (4) On 26 July 2010, the Council adopted Decision 2010/413/CFSP <sup>(4)</sup> which implemented UNSCR 1929 (2010).
- (5) On 1 December 2011, the Council reiterated its serious and deepening concerns over the nature of Iran's nuclear programme, and in particular over the findings on Iranian activities relating to the development of military nuclear technology, as reflected in the latest International Atomic Energy Agency (IAEA) report. In the light of these concerns and in accordance with the European Council Declaration of 23 October 2011, the Council agreed to broaden existing sanctions by examining, in close coordination with international partners, additional measures including measures aimed at severely affecting the Iranian financial system, in the transport sector, in the energy sector, measures against the Iranian Revolutionary Guard Corps (IRGC), as well as in other areas.
- (6) On 9 December 2011, the European Council endorsed the Council conclusions of 1 December 2011 and invited the Council to proceed with its work relating to extending the scope of the Union's restrictive measures against Iran as a matter of priority.
- (7) In this context, it is appropriate to prohibit or control the supply, sale or transfer to Iran of additional items,

materials, equipment, goods and technology, that could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding, or to other weapons of mass destruction programmes. This prohibition should include dual-use goods and technology.

- (8) Recalling the potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation-sensitive nuclear activities and that chemical process equipment and materials required for the petrochemical industry have much in common with those required for certain sensitive nuclear fuel cycle activities, as underlined in UNSCR 1929 (2010), the sale, supply or transfer to Iran of further key equipment and technology which could be used in key sectors in the oil and natural gas industry or, in the petrochemical industry, should be prohibited. Moreover, Member States should prohibit any new investment in the petrochemical sector in Iran.
- (9) In addition, the purchase, import or transport from Iran of crude oil and petroleum products, as well as of petrochemical products, should be prohibited.
- (10) Moreover, the sale, purchase, transportation or brokering of gold, precious metals and diamonds to, from or for the Government of Iran should be prohibited.
- (11) In addition, the delivery of newly printed or minted or unissued Iranian denominated banknotes and coinage to or for the benefit of the Central Bank of Iran should be prohibited.
- (12) Furthermore, restrictive measures should be imposed against the Central Bank of Iran in view of its involvement in activities to circumvent sanctions imposed against Iran.
- (13) The restrictions on admission and the freezing of funds and economic resources should be applied to additional persons and entities providing support to the Government of Iran allowing it to pursue proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems, in particular persons and entities providing financial, logistical or material support to the Government of Iran.

<sup>(1)</sup> OJ L 61, 28.2.2007, p. 49.

<sup>(2)</sup> OJ L 106, 24.4.2007, p. 67.

<sup>(3)</sup> OJ L 213, 8.8.2008, p. 58.

<sup>(4)</sup> OJ L 195, 27.7.2010, p. 39.

- (14) The restrictions on admission and the freezing of funds applied to members of the IRGC should no longer be restricted to senior members but could apply to other members of the IRGC.
- (15) Moreover, additional persons and entities should be included in the list of persons and entities subject to restrictive measures as set out in Annex II to Decision 2010/413/CFSP.
- (16) Further action by the Union is needed in order to implement certain measures,

HAS ADOPTED THIS DECISION:

*Article 1*

Council Decision 2010/413/CFSP is hereby amended as follows:

- (1) in Article 1(1), point (e) is replaced by the following:

"(e) other dual-use goods and technology listed in Annex I to Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items (\*) and not covered by point (a) except for certain items in category 5 - Part 1 and category 5 - Part 2 in Annex I to that Regulation.

(\*) OJ L 134, 29.5.2009, p. 1.";

- (2) the following Articles are inserted:

*"Article 3a*

1. The import, purchase or transport of Iranian crude oil and petroleum products shall be prohibited.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. It shall be prohibited to provide, directly or indirectly, financing or financial assistance, including financial derivatives, as well as insurance and reinsurance, related to the import, purchase, or transport of Iranian crude oil and petroleum products.

*Article 3b*

1. The import, purchase or transport of Iranian petrochemical products shall be prohibited.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. It shall be prohibited to provide, directly or indirectly, financing or financial assistance, as well as

insurance and reinsurance, related to the import, purchase, or transport of Iranian petrochemical products

*Article 3c*

1. The prohibitions set out in Article 3a shall be without prejudice to the execution, until 1 July 2012, of contracts concluded before 23 January 2012 or ancillary contracts necessary for the execution of such contracts, to be concluded and executed not later than 1 July 2012.

2. The prohibitions set out in Article 3a shall be without prejudice to the execution of obligations provided for in contracts concluded before 23 January 2012 or in ancillary contracts necessary for the execution of such obligations where the supply of Iranian crude oil and petroleum products or the proceeds derived from their supply are for the reimbursement of outstanding amounts with respect to contracts concluded before 23 January 2012 to persons or entities within the territories of Member States or under their jurisdiction, where those contracts specifically provide for such reimbursements.

*Article 3d*

1. The prohibitions set out in Article 3b shall be without prejudice to the execution, until 1 May 2012, of contracts concluded before 23 January 2012 or in ancillary contracts necessary for the execution of such contracts, to be concluded and executed not later than 1 May 2012.

2. The prohibitions set out in Article 3b shall be without prejudice to the execution of obligations provided for in contracts concluded before 23 January 2012 or in ancillary contracts necessary for the execution of such obligations where the supply of petrochemical products or the proceeds derived from the supply of these products are for the reimbursement of outstanding amounts with respect to contracts concluded before 23 January 2012 to persons or entities within the territories of Member States or under their jurisdiction, where those contracts specifically provide for such reimbursements.";

- (3) the following Articles are inserted:

*"Article 4a*

1. The sale, supply or transfer of key equipment and technology for the petrochemical industry in Iran, or to Iranian or Iranian-owned enterprises engaged in that industry outside Iran, by nationals of Member States, or from the territories of Member States, or using vessels or aircraft under the jurisdiction of Member States shall be prohibited whether or not originating in their territories.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. It shall be prohibited to provide the following to enterprises in Iran that are engaged in the Iranian petrochemical industry or to Iranian, or Iranian-owned enterprises engaged in that industry outside Iran:

- (a) technical assistance or training and other services related to key equipment and technology as determined according to paragraph 1;
- (b) financing or financial assistance for any sale, supply, transfer or export of key equipment and technology as determined according to paragraph 1 or for the provision of related technical assistance or training.

3. It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in paragraphs 1 and 2.

#### Article 4b

1. The prohibition in Article 4(1) shall be without prejudice to the execution of an obligation relating to the delivery of goods provided for in contracts concluded before 26 July 2010.

2. The prohibitions in Article 4 shall be without prejudice to the execution of an obligation arising from contracts concluded before 26 July 2010 and relating to investments made in Iran before the same date by enterprises established in Member States.

3. The prohibition in Article 4a(1) shall be without prejudice to the execution of an obligation relating to the delivery of goods provided for in contracts concluded before 23 January 2012.

4. The prohibitions in Article 4a shall be without prejudice to the execution of an obligation arising from contracts concluded before 23 January 2012 and relating to investments made in Iran before the same date by enterprises established in Member States.

#### Article 4c

The direct or indirect sale, purchase, transportation or brokering of gold and precious metals, as well as of diamonds, to, from or for the Government of Iran, its public bodies, corporations and agencies, the Central Bank of Iran, as well as to, from or for persons and

entities acting on their behalf or at their direction, or entities owned or controlled by them shall be prohibited.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

#### Article 4d

The delivery of newly printed or minted or unissued Iranian denominated banknotes and coinage to or for the benefit of the Central Bank of Iran shall be prohibited.";

- (4) the following Article is inserted:

#### "Article 6a

The following shall be prohibited:

- (a) the granting of any financial loan or credit to enterprises in Iran that are engaged in the Iranian petrochemical industry or to Iranian or Iranian-owned enterprises engaged in that industry outside Iran;
- (b) the acquisition or extension of a participation in enterprises in Iran that are engaged in the Iranian petrochemical industry, or to Iranian or Iranian-owned enterprises engaged in that industry outside Iran, including the acquisition in full of such enterprises and the acquisition of shares and securities of a participating nature;
- (c) the creation of any joint venture with enterprises in Iran that are engaged in the Iranian petrochemical industry and with any subsidiary or affiliate under their control.";

- (5) Article 7 is replaced by the following:

#### "Article 7

1. The prohibitions in Article 6(a) and (b) respectively:
  - (i) shall be without prejudice to the execution of an obligation arising from contracts or agreements concluded before 26 July 2010;
  - (ii) shall not prevent the extension of a participation, if such extension is an obligation under an agreement concluded before 26 July 2010.

2. The prohibitions in Article 6a(a) and (b) respectively:
- (i) shall be without prejudice to the execution of an obligation arising from contracts or agreements concluded before 23 January 2012;
- (ii) shall not prevent the extension of a participation, if such extension is an obligation under an agreement concluded before 23 January 2012.";
- (6) Article 19(1) is amended as follows:
- (a) point (b) is replaced by the following:
- "(b) other persons not covered by Annex I that are engaged in, directly associated with, or providing support for Iran's proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, or persons acting on their behalf or at their direction, or persons that have assisted designated persons or entities in evading or violating the provisions of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) and UNSCR 1929 (2010) or this Decision as well as other members of the IRGC, as listed in Annex II.";
- (b) the following point is added:
- "(c) other persons not covered by Annex I that provide support to the Government of Iran, and persons associated with them, as listed in Annex II.";
- (7) Article 20 is amended as follows:
- (a) paragraph 1 is amended as follows:
- (i) point (b) is replaced by the following:
- "(b) persons and entities not covered by Annex I that are engaged in, directly associated with, or providing support for, Iran's proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, or persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, including through illicit means, or persons and entities that have assisted designated persons or entities in evading or violating the provisions of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) and UNSCR 1929 (2010) or this Decision as well as other members of the IRGC and IRISL and entities owned or controlled by them or acting on their behalf, as listed in Annex II.";
- (ii) the following point is added:
- "(c) other persons and entities not covered by Annex I that provide support to the Government of Iran, and persons and entities associated with them, as listed in Annex II.";
- (b) the following paragraph is inserted:
- "4a. With regard to persons and entities listed in Annex II, exemptions may also be made for funds and economic resources which are to be paid into or from an account of a diplomatic or consular mission or an international organisation enjoying immunities in accordance with international law, in so far as such payments are intended to be used for official purposes of the diplomatic or consular mission or international organisation.";
- (c) the following paragraphs are added:
- "7. Paragraphs 1 and 2 shall not apply to a transfer by or through the Central Bank of Iran of funds or economic resources received and frozen after the date of its designation or to a transfer of funds or economic resources to or through the Central Bank of Iran after the date of its designation where such transfer is related to a payment by a non-designated financial institution due in connection with a specific trade contract, provided that the relevant Member State has determined, on a case-by-case basis, that the payment is not directly or indirectly received by a person or entity referred to in paragraph 1.
8. Paragraph 1 shall not apply to a transfer by or through the Central Bank of Iran of frozen funds or economic resources where such transfer is for the purpose of providing financial institutions under the jurisdiction of Member States with liquidity for the financing of trade, provided that the transfer has been authorised by the relevant Member State.;
9. Paragraph 2 shall be without prejudice to payments to the Central Bank of Iran in connection with the execution of contracts in conformity with Articles 3a, 3b, 3c or 3d.

10. Paragraph 1 shall not prevent Bank Tejarat listed in Annex II, for a period of two months after the date of its designation, from making a payment from funds or economic resources received and frozen after the date of its designation or from receiving a payment after the date of its designation, where such payment is due in connection with a specific trade contract, provided that the relevant Member State has determined, on a case-by-case basis, that the payment is not directly or indirectly received by a person or entity referred to in paragraph 1.

11. Paragraphs 7, 8, 9 and 10 are without prejudice to paragraphs 3, 4, 4a, 5 and 6 of this Article and to Article 10(3).";

(8) in Article 24, paragraph 2 is replaced by the following:

"2. Where the Council decides to subject a person or entity to the measures referred to in Articles 19(1)(b) and (c) and 20(1)(b) and (c), it shall amend Annex II accordingly.";

(9) in Article 25, paragraph 2 is replaced by the following:

"2. Annexes I and II shall also include, where available, information necessary to identify the persons or entities concerned, as provided by the Security Council or by the Committee in respect of Annex I. With regard to persons, such information may include names including aliases, date and place of birth, nationality, passport and ID card numbers, gender, address, if known and function or profession. With regard to entities such information may include names, place and date of registration, registration number and place of business. Annexes I and II shall also include the date of designation.";

(10) in Article 26, paragraphs 2 and 3 are replaced by the following:

"2. The measures concerning the prohibition on import, purchase or transport of Iranian crude oil and

petroleum products in Article 3a shall be reviewed not later than 1 May 2012, in particular taking due account of the availability and the financial conditions for the supply of crude oil and petroleum products produced in countries other than Iran, with a view to ensuring the continuity of energy supply of Member States.

3. The measures referred to in Articles 19(1)(b) and (c) and 20(1)(b) and (c) shall be reviewed at regular intervals and at least every 12 months. They shall cease to apply in respect of the persons and entities concerned if the Council determines, in accordance with the procedure referred to in Article 24, that the conditions for their application are no longer met.".

#### *Article 2*

1. The persons and entities listed in Annex I to this Decision shall be added to the list set out in Annex II to Decision 2010/413/CFSP.

2. The entity listed in Annex II to this Decision shall be removed from the list set out in Annex II to Decision 2010/413/CFSP.

3. The entries in Annex II to Decision 2010/413/CFSP shall be amended as set out in Annex III to this Decision.

#### *Article 3*

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 23 January 2012.

*For the Council*  
*The President*  
C. ASHTON

## ANNEX I

## List of persons and entities referred to in Article 2(1)

## I. Persons and entities involved in nuclear or ballistic missiles activities

## B. Entities

	Name	Identifying information	Reasons	Date of listing
1.	Central Bank of Iran (a.k.a. Central Bank of the Islamic Republic of Iran)	Postal Address: Mirdamad Blvd., NO.144, Tehran, Islamic Republic of Iran P.O. Box: 15875 / 7177 Switchboard: +98 21 299 51 Cable Address: MARKAZBANK Telex: 216 219-22 MZBK IR SWIFT Address: BMJIIRTH Web Site: <a href="http://www.cbi.ir">http://www.cbi.ir</a> E-mail: G.SecDept@cbi.ir	Involvement in activities to circumvent sanctions	23.1.2012
2.	Bank Tejarat	Postal Address: Taleghani Br. 130, Taleghani Ave. P.O.Box: 11365 - 5416, Tehran Tel.: 88826690 Tlx.: 226641 TJTA IR. Fax: 88893641 Website: <a href="http://www.tejaratbank.ir">http://www.tejaratbank.ir</a>	Bank Tejarat is a State owned bank. It has directly facilitated Iran's nuclear efforts. For example, in 2011, Bank Tejarat facilitated the movement of tens of millions of dollars in an effort to assist the UN designated Atomic Energy Organisation of Iran's ongoing effort to acquire yellowcake uranium. The AEOI is the main Iranian organisation for research and development of nuclear technology, and manages fissile material production programs.  Bank Tejarat also has a history of assisting designated Iranian banks in circumventing international sanctions, for example acting in business involving UN designated Shahid Hemmat Industrial Group cover companies.  Through its financial services to EU designated Bank Mellat and Export Development Bank of Iran (EDBI) in the past few years, Bank Tejarat has also supported the activities of subsidiaries and subordinates of the Iran Revolutionary Guard Corps, UN designated Defense Industries Organisation and UN designated MODAFL.	23.1.2012
3.	Tidewater (a.k.a. Tidewater Middle East Co.)	Postal address: No. 80, Tidewater Building, Vozara Street, Next to Saie Park, Tehran, Iran	Owned or controlled by IRGC	23.1.2012

	Name	Identifying information	Reasons	Date of listing
4.	Turbine Engineering Manufacturing (TEM) (a.k.a T.E.M. Co.)	Postal address: Shishesh Mina Street, Karaj Special Road, Tehran, Iran	Used as a front company by designated Iran Aircraft Industries (IACI) for covert procurement activities.	23.1.2012
5.	Sad Export Import Company (a.k.a. SAD Import & Export Company)	Postal address: Haftom Tir Square, South Mofte Avenue, Tour Line No; 3/1, Tehran, Iran P.O. Box 1584864813 Tehran, Iran	Used as a front company by designated Defence Industries Organization (DIO). Involved in arms transfers to Syria. The company's involvement was also noted in illicit arms transfer aboard M/V Monchegorsk.	23.1.2012
6.	Rosmachin	Postal address: Haftom Tir Square, South Mofte Avenue, Tour Line No; 3/1, Tehran, Iran P.O. Box 1584864813 Tehran, Iran	Front company of Sad Export Import Company. Involved in illicit arms transfer aboard M/V Monchegorsk.	23.1.2012

## II. Islamic Revolutionary Guard Corps (IRGC)

### A. Persons

	Name	Identifying information	Reasons	Date of listing
1.	Ali Ashraf NOURI		IRGC Deputy Commander, IRGC Political Bureau Chief	23.1.2012
2.	Hojatoleslam Ali SAIDI (a.k.a. Hojjat- al-Eslam Ali Saidi or Saeedi)		Representative of the Supreme Leader to the IRGC	23.1.2012
3.	Amir Ali Haji ZADEH (a.k.a. Amir Ali Hajizadeh)		IRGC Air Force Commander, Brigadier General	23.1.2012

### B. Entities

	Name	Identifying information	Reasons	Date of listing
1.	Behnam Sahriyari Trading Company	Postal address: Ziba Buidling, 10th Floor, Northern Sohrevardi Street, Tehran, Iran	Sent two containers of various types of firearms from Iran to Syria in May 2007 in violation of op. 5 of UNSCR 1747(2007)	23.1.2012

### III. Islamic Republic of Iran Shipping Lines (IRISL)

#### B. Entities

	Name	Identifying information	Reasons	Date of listing
1.	BIIS Maritime Limited	Postal address: 147/1 St. Lucia, Valletta, Malta	Owned or controlled by designated Irano Hind	23.1.2012
2.	Darya Delalan Sefid Khazar Shipping Company (Iran) (a.k.a. Khazar Sea Shipping Lines or Darya-ye Khazar Shipping Company or Khazar Shipping Co. or KSSL or Daryaye Khazar (Caspian Sea) Co. or Darya-e-khazar shipping Co.)	Postal address: M. Khomeini St., Ghazian, Bandar Anzil, Gilan, Iran No. 1, End of Shahid Mostafa Khomeini St., Tohid Square, Bandar Anzali, 1711-324, Iran	Owned or controlled by IRISL	23.1.2012

## ANNEX II

## Entity referred to in Article 2(2)

Syracuse S.L

## ANNEX III

## Entries referred to in Article 2(3)

	Name	Identifying information	Reasons	Date of listing
1.	Hanseatic Trade Trust & Shipping (HTTS) GmbH	Postal address: Schottweg 7, 22087 Hamburg, Germany; Opp 7th Alley, Zarafshan St, Eivanak St, Qods Township; HTTS GmbH	Controlled by and/or acting on behalf of IRISL. HTTS is registered under the same address as IRISL Europe GmbH in Hamburg, and its principal Dr. Naser Baseni was previously employed with IRISL.	23.1.2012
2.	Oasis Freight Agency	Postal address: Al Meena Street, Opposite Dubai Ports & Customs, 2nd Floor, Sharaf Building, Dubai UAE; Sharaf Building, 1st Floor, Al Mankhool St., Bur Dubai, P.O. Box 5562, Dubai, United Arab Emirates; Sharaf Building, No. 4, 2nd Floor, Al Meena Road, Opposite Customs, Dubai, United Arab Emirates, Kayed Ahli Building, Jamal Abdul Nasser Road (Parallel to Al Wahda St.), P.O. Box 4840, Sharjah, United Arab Emirates	Acted on behalf of IRISL in the UAE. Has been replaced by Good Luck Shipping Company which is also designated for acting on behalf of IRISL	23.1.2012

**COUNCIL DECISION 2012/152/CFSP**  
**of 15 March 2012**  
**amending Decision 2010/413/CFSP concerning restrictive measures against Iran**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 29 thereof,

Whereas:

- (1) On 26 July 2010, the Council adopted Decision 2010/413/CFSP concerning restrictive measures against Iran <sup>(1)</sup>.
- (2) On 23 January 2012, the Council adopted Decision 2012/35/CFSP amending Decision 2010/413/CFSP <sup>(2)</sup>, in response to its serious and deepening concerns over the nature of Iran's nuclear programme.
- (3) In this context, the application of targeted financial measures by providers of specialised financial messaging services should be further developed, consistent with Decision 2010/413/CFSP.
- (4) Decision 2010/413/CFSP should be amended accordingly,

HAS ADOPTED THIS DECISION:

*Article 1*

In Article 20 of Decision 2010/413/CFSP, the following paragraph is added:

'12. Without prejudice to the exemptions provided for in this Article, it shall be prohibited to supply specialised financial messaging services, which are used to exchange financial data, to the persons and entities referred to in paragraph 1.'

*Article 2*

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 15 March 2012.

*For the Council*  
*The President*  
N. WAMMEN

<sup>(1)</sup> OJ L 195, 27.7.2010, p. 39.

<sup>(2)</sup> OJ L 19, 24.1.2012, p. 22.

## COUNCIL DECISION 2012/635/CFSP

of 15 October 2012

## amending Decision 2010/413/CFSP concerning restrictive measures against Iran

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 29 thereof,

Whereas:

- (1) On 27 February 2007, the Council adopted Common Position 2007/140/CFSP concerning restrictive measures against Iran <sup>(1)</sup> which implemented United Nations Security Council Resolution (UNSCR) 1737 (2006).
- (2) On 23 April 2007, Common Position 2007/140/CFSP was amended by Common Position 2007/246/CFSP <sup>(2)</sup> in order to implement UNSCR 1747 (2007). The Council then further amended Common Position 2007/140/CFSP by adopting, on 7 August 2008, Common Position 2008/652/CFSP <sup>(3)</sup>, which implemented UNSCR 1803 (2008).
- (3) On 26 July 2010, the Council adopted Decision 2010/413/CFSP <sup>(4)</sup> which implemented UNSCR 1929 (2010) and repealed Common Position 2007/140/CFSP.
- (4) On 23 January 2012, the Council adopted Decision 2012/35/CFSP which amended Decision 2010/413/CFSP by strengthening the restrictive measures against Iran in light of the reiterated serious and deepening concerns over the nature of Iran's nuclear programme, and in particular over the findings on Iranian activities relating to the development of military nuclear technology, as reflected in the International Atomic Energy Agency (IAEA) report. Those measures were further strengthened on 15 March 2012 by Decision 2012/152/CFSP <sup>(5)</sup>.
- (5) In view of Iran's failure to engage seriously in negotiations in order to address international concerns about its nuclear programme, the Council considers it necessary to adopt additional restrictive measures against Iran.
- (6) In this context, it is appropriate to review the prohibition on the sale, supply or transfer to Iran of additional dual-use goods and technology listed in Annex I to Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items <sup>(6)</sup>, with a view to

including items which might be relevant to industries controlled directly or indirectly by the Iranian Revolutionary Guard Corps or which might be relevant to Iran's nuclear, military and ballistic missile programme, while taking into account the need to avoid unintended effects on the civilian population of Iran.

- (7) Moreover, the purchase, import or transport of natural gas from Iran should be prohibited.
- (8) Furthermore, the sale, supply or transfer to Iran of graphite, and raw or semi-finished metals such as aluminium and steel, and software for integrating industrial processes, which is relevant to industries controlled directly or indirectly by the Iranian Revolutionary Guard Corps or which is relevant to Iran's nuclear, military and ballistic missile programme, should be prohibited.
- (9) The sale, supply or transfer to Iran of key naval equipment and technology for ship-building, maintenance or refit, should be prohibited.
- (10) In addition, Member States should not enter into any new commitments to provide financial support for trade with Iran. This should not affect existing commitments and should not concern trade for food, agricultural, medical or other humanitarian purposes.
- (11) It should also be prohibited for Member States to construct or participate in the construction of new oil tankers for Iran.
- (12) In order to prevent the transfer of any financial or other assets or resources that could contribute to Iran's proliferation-sensitive nuclear activities, or the development of nuclear weapon delivery systems, transactions between Union and Iranian banks and financial institutions should be prohibited, unless authorised in advance by the relevant Member State. This should not prevent the continuation of trade which is not prohibited under Decision 2010/413/CFSP.
- (13) Furthermore, the provision of flagging and classification services to Iranian oil tankers and cargo vessels should be prohibited.
- (14) The supply of vessels designed for the transport or storage of oil and petrochemical products to Iranian persons and entities or to other persons and entities for the purpose of transporting or storing Iranian oil and petrochemical products should be prohibited.

<sup>(1)</sup> OJ L 61, 28.2.2007, p. 49.

<sup>(2)</sup> OJ L 106, 24.4.2007, p. 67.

<sup>(3)</sup> OJ L 213, 8.8.2008, p. 58.

<sup>(4)</sup> OJ L 195, 27.7.2010, p. 39.

<sup>(5)</sup> OJ L 77, 16.3.2012, p. 18.

<sup>(6)</sup> OJ L 134, 29.5.2009, p. 1.

- (15) In addition, the provisions concerning the freezing of funds and economic resources of the Central Bank of Iran should be amended.
- (16) Finally, additional persons and entities should be included in the list of persons and entities subject to restrictive measures as set out in Annex II to Decision 2010/413/CFSP, in particular Iranian State-owned entities engaged in the oil and gas sector, since they provide a substantial source of revenue for the Iranian Government. Furthermore, certain persons and entities should be removed from that list and the entry for one entity should be amended.
- (17) Further action by the Union is needed in order to implement certain measures provided for in this Decision.
- (18) Decision 2010/413/CFSP should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

*Article 1*

Council Decision 2010/413/CFSP is hereby amended as follows:

- (1) the following Article is added:

*"Article 3e*

1. The import, purchase or transport of Iranian natural gas shall be prohibited.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. It shall be prohibited to provide, directly or indirectly, financing or financial assistance - including financial derivatives, as well as insurance and reinsurance and brokering services relating to insurance and reinsurance - related to the import, purchase or transport of Iranian natural gas.

3. The prohibition in paragraph 1 shall be without prejudice to the execution of contracts for the delivery of natural gas of a State other than Iran to an EU Member State";

- (2) Article 4b is replaced by the following:

*"Article 4b*

1. The prohibition set out in Article 4(1) shall be without prejudice to the execution, until 15 April 2013, of any obligation relating to the delivery of goods provided for in contracts concluded before 26 July 2010 or 16 October 2012.

2. The prohibitions set out in Article 4 shall be without prejudice to the execution, until 15 April 2013, of any obligation arising from contracts concluded before 26 July 2010 or 16 October 2012 and relating to investments made in Iran before those dates by enterprises established in Member States.

3. The prohibition in Article 4a(1) shall be without prejudice to the execution, until 15 April 2013, of an obligation relating to the delivery of goods provided for in contracts concluded before 23 January 2012 or 16 October 2012.

4. The prohibitions in Article 4a shall be without prejudice to the execution, until 15 April 2013, of an obligation arising from contracts concluded before 23 January 2012 or 16 October 2012 and relating to investments made in Iran before those dates by enterprises established in Member States.

5. Paragraphs 1 and 2 are without prejudice to the execution of obligations referred to in Article 3c(2) provided that those obligations arise from service contracts or ancillary contracts necessary for their execution and provided that the execution of those obligations has been authorised in advance by the relevant Member State. The relevant Member State shall inform the other Member States and the Commission of its intention to grant an authorisation.

6. Paragraphs 3 and 4 are without prejudice to the execution of obligations referred to in Article 3d(2) provided that those obligations arise from service contracts or ancillary contracts necessary for their execution and provided that the execution of those obligations has been authorised in advance by the relevant Member State. The relevant Member State shall inform the other Member States and the Commission of its intention to grant an authorisation";

- (3) the following Articles are added:

*"Article 4e*

1. The sale, supply or transfer to Iran of graphite, and raw or semi-finished metals, such as aluminium and steel, which are relevant to industries controlled directly or indirectly by the Iranian Revolutionary Guard Corps or which are relevant to Iran's nuclear, military and ballistic missile programme, by nationals of Member States, or from the territories of Member States, or using vessels or aircraft under the jurisdiction of Member States, shall be prohibited whether or not originating in their territories.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. It shall also be prohibited to:

- (a) provide Iran with technical assistance or training and other services related to items referred to in paragraph 1;
- (b) provide Iran with financing or financial assistance for any sale, supply or transfer of items referred to in paragraph 1 or for the provision of related technical assistance and training.

3. It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibitions set out in paragraphs 1 and 2.

*Article 4f*

The prohibitions set out in Article 4e shall be without prejudice to the execution, until 15 April 2013, of contracts concluded before 16 October 2012 or ancillary contracts necessary for the execution of such contracts.

*Article 4g*

1. The sale, supply or transfer of key naval equipment and technology for ship-building, maintenance or refit, to Iran or to Iranian or Iranian-owned enterprises engaged in this sector, by nationals of Member States, or from the territories of Member States, or using vessels or aircraft under the jurisdiction of Member States, shall be prohibited whether or not originating in their territories.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. The prohibition in paragraph 1 shall be without prejudice to the supply of key naval equipment and technology to a non-Iranian-owned or controlled vessel that has been forced into an Iranian port or Iranian territorial waters under *force majeure*.

3. It shall also be prohibited to:

- (a) provide Iran with technical assistance or training and other services related to items referred to in paragraph 1;
- (b) provide Iran with financing or financial assistance for any sale, supply or transfer of items referred to in paragraph 1 or for the provision of related technical assistance and training.

4. It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibitions set out in paragraphs 1 and 3.

*Article 4h*

The prohibitions in Article 4g shall be without prejudice to the execution, until 15 February 2013, of contracts concluded before 16 October 2012 or ancillary contracts necessary for the execution of such contracts.

*Article 4i*

1. The sale, supply or transfer to Iran of software for integrating industrial processes, which is relevant to industries controlled directly or indirectly by the Iranian Revolutionary Guard Corps or which is relevant to Iran's nuclear, military and ballistic missile programme, by nationals of Member States, or from the territories of Member States, or using vessels or aircraft under the jurisdiction of Member States, shall be prohibited whether or not originating in their territories.

The Union shall take the necessary measures in order to determine the relevant items to be covered by this provision.

2. It shall also be prohibited to:

- (a) provide Iran with technical assistance or training and other services related to items referred to in paragraph 1;
- (b) provide Iran with financing or financial assistance for any sale, supply or transfer of items referred to in paragraph 1 or for the provision of related technical assistance and training.

3. It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibitions set out in paragraphs 1 and 2.

*Article 4j*

The prohibitions in Article 4i shall be without prejudice to the execution, until 15 January 2013, of contracts concluded before 16 October 2012 or ancillary contracts necessary for the execution of such contracts.;

(4) Article 8(1) is replaced by the following:

"1. Member States shall not enter into any new short-, medium- or long-term commitments to provide financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to their nationals or entities involved in such trade, nor shall Member States guarantee or reinsure such commitments."

(5) the following Article is added:

**"CONSTRUCTION OF OIL TANKERS***Article 8a*

1. Without prejudice to Article 4g, the construction or the participation in the construction of new oil tankers for Iran or for Iranian persons and entities shall be prohibited.

2. It shall be prohibited to provide technical assistance or financing or financial assistance to the construction of new oil tankers for Iran or for Iranian persons and entities.;"

(6) Article 10 is replaced by the following:

*"Article 10*

1. In order to prevent the transfer to, through, or from, the territories of Member States, or the transfer to or by nationals of Member States, entities organised under their laws (including branches abroad), or persons or financial institutions in the territories of Member States, of any financial or other assets or resources that could contribute to Iran's proliferation-sensitive nuclear activities, or the development of Iran's nuclear weapon delivery systems,

financial institutions under the jurisdiction of Member States shall not enter into, or continue to participate in, any transactions with:

- (a) banks domiciled in Iran, including the Central Bank of Iran;
- (b) branches and subsidiaries, within the jurisdiction of the Member States, of banks domiciled in Iran;
- (c) branches and subsidiaries, outside the jurisdiction of the Member States, of banks domiciled in Iran;
- (d) financial entities that are not domiciled in Iran, but that are controlled by persons and entities domiciled in Iran,

unless such transactions are authorised in advance by the relevant Member State in accordance with paragraphs 2 and 3.

2. For the purpose of paragraph 1, the following transactions may be authorised by the relevant Member State:

- (a) transactions regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes;
- (b) transactions regarding personal remittances;
- (c) transactions regarding the execution of the exemptions provided for in this Decision;
- (d) transactions in connection with a specific trade contract not prohibited under this Decision;
- (e) transactions regarding a diplomatic or consular mission or an international organisation enjoying immunities in accordance with international law, insofar as such transactions are intended to be used for official purposes of the diplomatic or consular mission or international organisation.
- (f) transactions regarding payment to satisfy claims against Iran, Iranian persons or entities, on a case-by-case basis and subject to notification ten days prior to authorisation, and transactions of a similar nature that do not contribute to activities prohibited under this Decision.

No authorisation or notification is required for transactions falling under points (a) to (e) which are below EUR 10 000.

3 Transfers of funds to and from Iran using Iranian banks and financial institutions for the transactions referred to in paragraph 2 shall be processed as follows:

- (a) transfers due on transactions regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes below EUR 100 000, as well

as transfers regarding personal remittances, below EUR 40 000, shall be carried out without any prior authorisation; the transfer shall be notified to the competent authority of the Member State concerned if above EUR 10 000;

- (b) transfers due on transactions regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes above EUR 100 000, as well as transfers regarding personal remittances, above EUR 40 000, shall require the prior authorisation from the competent authority of the Member State concerned. The relevant Member State shall inform the other Member States of any authorisation granted;
- (c) any other transfer above EUR 10 000 shall require the prior authorisation from the competent authority of the Member State concerned. The relevant Member State shall inform the other Member States of any authorisation granted.

4. Transfers of funds to and from Iran which do not fall within the scope of paragraph 3 shall be processed as follows:

- (a) transfers due on transactions regarding foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes shall be carried out without any prior authorisation; the transfer shall be notified to the competent authority of the Member State concerned if above EUR 10 000;
- (b) any other transfer below EUR 40 000 shall be carried out without any prior authorisation; the transfer shall be notified to the competent authority of the Member State concerned if above EUR 10 000;
- (c) any other transfer above EUR 40 000 shall require the prior authorisation from the competent authority of the Member State concerned. The authorisation shall be deemed granted within four weeks unless the competent authority of the Member State concerned has objected within this time-limit. The relevant Member State shall inform the other Member States of any authorisation rejected.

5. Branches and subsidiaries of banks domiciled in Iran within the jurisdiction of the Member States shall also be required to notify the competent authority of the Member State where they are established, of all transfers of funds carried out or received by them, within five working days of carrying out or receiving the respective transfer of funds.

Subject to information-sharing arrangements, notified competent authorities shall without delay transmit this information on notifications, as appropriate, to the competent authorities of other Member States, where the counterparts to such transactions are established.";

(7) the following Articles are added:

*"Article 18a*

The provision by nationals of Member States or from the territory under the jurisdiction of the Member States, of flagging and classification services, including registration and identification numbers of any kind, to Iranian oil tankers and cargo vessels shall be prohibited as of 15 January 2013.

*Article 18b*

1 It shall be prohibited to supply vessels designed for the transport or storage of oil and petrochemical products to Iranian persons, entities or bodies.

2. It shall be prohibited to supply vessels designed for the transport or storage of oil and petrochemical products to any person, entity or body for the transport or storage of Iranian oil and petrochemical products.”;

3. It shall be prohibited to participate, knowingly or intentionally, in activities the object or effect of which is to circumvent the prohibitions set out in paragraphs 1 and 2.”

(8) Article 20 is amended as follows:

(a) paragraphs 1(b) and (c) are replaced by the following:

“(b) persons and entities not covered by Annex I that are engaged in, directly associated with, or providing support for, Iran’s proliferation-sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology, or persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, including through illicit means, or persons and entities that have assisted designated persons or entities in evading or violating the provisions of UNSCR 1737 (2006), UNSCR 1747 (2007), UNSCR 1803 (2008) and UNSCR 1929 (2010) or this Decision as well as other senior members and entities of IRGC and IRISL and entities owned or controlled by them or acting on their behalf or providing insurance and other essential services to them, as listed in Annex II.

(c) other persons and entities not covered by Annex I that provide support to the Government of Iran and

entities owned or controlled by them or persons and entities associated with them, as listed in Annex II”;

(b) paragraph 7 is replaced by the following:

“7. Paragraph 1 shall not apply to:

- (a) a transfer by or through the Central Bank of Iran of frozen funds or economic resources where such transfer is for the purpose of providing financial institutions under the jurisdiction of Member States with liquidity for the financing of trade;
- (b) the reimbursement by or through the Central Bank of Iran of claims due under a contract or agreement that was concluded by public or private Iranian entities before the adoption of this Decision,

provided that the transfer or reimbursement has been authorised by the relevant Member State.”

(c) paragraphs 8, 9 and 10 are deleted;

(d) paragraph 11 is replaced by the following:

“11. Paragraph 7 is without prejudice to paragraphs 3, 4, 4a, 5 and 6 and to Article 10(3) and (4).”;

(e) the following paragraphs are added:

“13. Paragraphs 1 and 2 shall not apply to acts and transactions carried out with regard to entities listed in Annex II which hold rights derived from an original award before 27 October 2010, by a sovereign Government other than Iran, of a gas production sharing agreement, insofar as such acts and transactions relate to those entities’ participation in that agreement.

14. Paragraphs 1 and 2 shall not apply to acts and transactions carried out with regard to entities listed in Annex II insofar as necessary for the execution, until 31 December 2014, of the obligations as referred to in Article 3c(2) provided that those acts and transactions have been authorised in advance, on a case-by-case basis, by the relevant Member State. The relevant Member State shall inform the other Member States and the Commission of its intention to grant an authorisation.”

*Article 2*

Annex II to Decision 2010/413/CFSP shall be amended as set out in the Annex to this Decision.

*Article 3*

This Decision shall enter into force on the date of its publication in the *Official Journal of the European Union*.

Done at Luxembourg, 15 October 2012.

*For the Council*  
*The President*  
C. ASHTON

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## ANNEX

I. Heading I in Annex II to Decision 2010/413/CFSP shall be replaced by the following:

"Persons and entities involved in nuclear or ballistic missile activities and persons and entities providing support to the Government of Iran."

II. The persons and entities listed below shall be added to the list set out in Annex II to Decision 2010/413/CFSP.

**A. Person**

	Name	Identifying information	Reasons	Date of listing
1.	Majid NAMJOO	Born on 5 January 1963 in Tehran, Iran	Minister of Energy. Member of the Supreme National Security Council, which formulates Iran's nuclear policy.	16.10.2012

**B. Entities**

	Name	Identifying information	Reasons	Date of listing
1.	Ministry of Energy	Palestine Avenue North, next to Zarathustra Avenue 81, tel. 9-8901081.	Responsible for policy in the energy sector, which provides a substantial source of revenue for the Iranian Government.	16.10.2012
2.	Ministry of Petroleum	Taleghani Avenue, next to Hafez Bridge, tel. 6214-6153751	Responsible for policy in the oil sector, which provides a substantial source of revenue for the Iranian Government.	16.10.2012
3.	National Iranian Oil Company (NIOC)	NIOC HQ, National Iranian Oil Company Hafez Crossing, Taleghani Avenue Tehran - Iran/First Central Building, Taleghan St., Tehran, Iran, Postal Code: 1593657919 P.O. Box 1863 and 2501	State-owned and operated entity providing financial resources to the Government of Iran. The Minister of Oil is Director of the NIOC Board and the Deputy Minister of Oil is the Managing Director of NIOC.	16.10.2012
4.	National Iranian Oil Company (NIOC) PTE LTD	7 Temasek Boulevard #07-02, Suntec Tower One 038987, Singapore; Registration ID 199004388C Singapore	Subsidiary of the National Iranian Oil Company (NIOC).	16.10.2012
5.	National Iranian Oil Company (NIOC) International Affairs Limited	NIOC House, 4 Victoria Street, London SW1H 0NE, United Kingdom; UK Company Number 02772297 (United Kingdom)	Subsidiary of the National Iranian Oil Company (NIOC).	16.10.2012
6.	Iran Fuel Conservation Organization (IFCO)	No. 23 East Daneshvar St. North Shiraz St. Molasadra St. Vanak Sq. Tehran Iran Tel.: (+98) 2188604760-6	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012

	Name	Identifying information	Reasons	Date of listing
7.	Karoon Oil & Gas Production Company	Karoon Industrial Zone Ahwaz Khuzestan Iran Tel.: (+98) 6114446464	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
8.	Petroleum Engineering & Development Company (PEDEC)	No. 61 Shahid Kalantari St. Sepahbod Qarani Ave. Tehran Iran Tel.: (+98) 2188898650-60	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
9.	North Drilling Company (NDC)	No. 8 35th St. Alvand St. Argentine Sq. Tehran Iran Tel.: (+98) 2188785083-8	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
10.	Khazar Expl & Prod Co (KEPCO)	No. 19 11th St. Khaled Eslamboli St. Tehran Iran Tel.: (+98) 2188722430	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
11.	National Iranian Drilling Company (NIDC)	Airport Sq. Pasdaran Blvd. Ahwaz Khuzestan Iran Tel.: (+98) 6114440151	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
12.	South Zagros Oil & Gas Production Company	Parvaneh St. Karimkhan Zand Blvd. Shiraz Iran Tel.: (+98) 7112138204	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
13.	Maroun Oil & Gas Company	Ahwaz-Mahshahr Rd. (Km 12) Ahwaz Iran Tel.: (+98) 6114434073	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
14.	Masjed-soleyman Oil & Gas Company (MOGC)	Masjed Soleyman Khuzestan Iran Tel.: (+98) 68152228001	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
15.	Gachsaran Oil & Gas Company	Gachsaran Kohkiluye-va-Boyer Ahmad Iran Tel.: (+98) 7422222581	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012

	Name	Identifying information	Reasons	Date of listing
16.	Aghajari Oil & Gas Production Company (AOGPC)	Naft Blvd. Omidieh Khouzestan Iran Tel.: (+98) 611914701	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
17.	Arvandan Oil & Gas Company (AOGC)	Khamenei Ave. Khoramshar Iran Tel.: (+98) 6324214021	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
18.	West Oil & Gas Production Company	No. 42 Zan Blvd. Naft Sq. Kermanshah Iran Tel.: (+98) 8318370072	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
19.	East Oil & Gas Production Company (EOGPC)	No. 18 Payam 6 St. Payam Ave. Sheshsad Dastgah Mashhad Iran Tel.: (+98) 5117633011	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
20.	Iranian Oil Terminals Company (IOTC)	No. 17 Beyhaghi St. Argentine Sq. Tehran Iran Tel.: (+98) 2188732221	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
21.	Pars Special Economic Energy Zone (PSEEZ)	Pars Special Economic Energy Zone Org. Assaluyeh Boushehr Iran Tel.: (+98) 7727376330	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
22.	Iran Liquefied Natural Gas Co.	No. 20, Alvand St, Argentina Sq, Tehran, 1514938111 IRAN Tel: +9821 888 77 0 11 Fax: +9821 888 77 0 25 info@iranlng.ir	Subsidiary of National Iranian Oil Company (NIOC).	16.10.2012
23.	Naftiran Intertrade Company (a.k.a. Naftiran Trade Company) (NICO)	Tel.: (+41) 213106565 OG 1 International House The Parade St. Helier JE3QQ Jersey, UK	Subsidiary (100 %) of the National Iranian Oil Company (NIOC).	16.10.2012
24.	Naftiran Intertrade Company Srl	Sàrl Ave. De la Tour-Haldimand 6 1009 Pully Schweiz	Subsidiary (100 %) of the Naftiran Intertrade Company Ltd.	16.10.2012

	Name	Identifying information	Reasons	Date of listing
25.	Petroiran Development Company (PEDCO) Ltd (a.k.a. PetroIran; a.k.a. "PEDCO")	National Iranian Oil Company - PEDCO, P.O. Box 2965, Al Bathaa Tower, 9th Floor, Apt. 905, Al Buhaira Corniche, Sharjah, United Arab Emirates;  P.O. Box 15875-6731, Tehran, Iran; 41, 1st Floor, International House, The Parade, St. Helier JE2 3QQ, Jersey;  No. 22, 7th Lane, Khalid Eslamboli Street, Shahid Beheshti Avenue, Tehran, Iran;  No. 102, Next to Shahid Amir Soheil Tabrizian Alley, Shahid Dastgerdi (Ex Zafar) Street, Shariati Street, Tehran 19199/45111, Iran;  Kish Harbour, Bazargan Ferdos Warehouses, Kish Island, Iran;  Registration ID 67493 (Jersey)	Subsidiary of Naftiran Intertrade Company Ltd.	16.10.2012
26.	Petropars Ltd. (a.k.a. Petropasr Limited; a.k.a. "PPL")	Calle La Guairita, Centro Profesional Eurobuilding, Piso 8, Oficina 8E, Chuao, Caracas 1060, Venezuela;  No. 35, Farhang Blvd., Saadat Abad, Tehran, Iran;  P.O. Box 3136, Road Town, Tortola, Virgin Islands, British;  all offices worldwide.	Subsidiary of Naftiran Intertrade Company Ltd.	16.10.2012
27.	Petropars International FZE (a.k.a. PPI FZE)	P.O. Box 72146, Dubai, United Arab Emirates;  all offices worldwide	Subsidiary of Petropars Ltd.	16.10.2012

	Name	Identifying information	Reasons	Date of listing
28.	Petropars UK Limited	47 Queen Anne Street, London W1G 9JG, United Kingdom; UK Company Number 03503060 (United Kingdom); all offices worldwide	Subsidiary of Petropars Ltd.	16.10.2012
29.	National Iranian Gas Company (NIGC)	(1) National Iranian Gas Company Building, South Aban Street, Karimkhan Boulevard, Tehran, Iran  (2) P.O. Box 15875, Tehran, Iran  (3) NIGC Main Bldg. South Aban St. Karimkhan Ave., Tehran 1598753113, Iran	State-owned and operated entity that provides financial resources to the Government of Iran. The Minister of Oil is Chairman of NIGC's Board and the Deputy Oil Minister is Managing Director and Vice Chairman of NIGC.	16.10.2012
30.	National Iranian Oil Refining and Distribution Company (NIORDC)	4 Varsho Street, Tehran 1598666611, P.O. Box 15815/3499 Tehran	State-owned and operated entity that provides financial support to the Government of Iran. The Minister of Oil is Chairman of NIORDC's Board.	16.10.2012
31.	National Iranian Tanker Company (NITC)	35 East Shahid Atefi Street, Africa Ave., 19177 Tehran, P.O. Box: 19395-4833, Tel: +98 21 23801, Email: info@nitc-tankers.com; all offices worldwide	Effectively controlled by the Government of Iran. Provides financial support to the Government of Iran through its shareholders which maintain ties with the Government.	16.10.2012
32.	Trade Capital Bank	220035 Belarus Timiriazeva str. 65A  Tel: +375 (17) 3121012 Fax +375 (17) 3121008 e-mail: info@tcbank.by	Subsidiary (99 %) of Tejarat Bank.	16.10.2012
33.	Bank of Industry and Mine	No. 2817 Firouzeh Tower (above park way junction) Valiaar St. Tehran  Tel. 021-22029859 Fax: 021-22260272-5	State owned company which provides financial support to the Government of Iran.	16.10.2012
34.	Cooperative Development Bank (a.k.a. Tose'e Ta'avon Bank)	Bozorgmehr St. Vali-e Asr Ave Tehran  Tel: +(9821) 66419974 / 66418184 Fax: +(9821) 66419974 e-mail: info@sandoghtavon.gov.ir	State owned company which provides financial support to the Government of Iran.	16.10.2012

III. The entry for the entity set out in Annex II to Decision 2010/413/CFSP listed below shall be replaced by the following:

**B. Entities**

Name	Identifying information	Reasons	Date of listing
Central Bank of Iran (a.k.a. Central Bank of the Islamic Republic of Iran)	Postal Address: Mirdamad Blvd., NO. 144, Tehran, Islamic Republic of Iran P.O. Box: 15875 / 7177 Switchboard: +98 21 299 51 Cable Address: MARKAZBANK Telex: 216 219-22 MZBK IR SWIFT Address: BMJIIRTH Web Site: <a href="http://www.cbi.ir">http://www.cbi.ir</a> E-mail: G.SecDept@cbi.ir	Involvement in activities to circumvent sanctions. Provides financial support to the Government of Iran.	23.1.2012

IV. The persons and entities listed below shall be deleted from the list set out in Annex II to Decision 2010/413/CFSP.

1. Mohammad MOKHBER
2. Hassan BAHADORI
3. Dr. Peyman Noori BROJERDI
4. Dr. Mohammad JAHROMI
5. Mahmoud Reza KHAVARI
6. Dr M H MOHEBIAN
7. Bahman VALIKI
8. Pouya Control
9. Boustead Shipping Agencies Sdn Bhd
10. OTS Steinweg Agency.



## **FATF STATEMENT ON IRAN**

**Paris, 11 October 2007**

The Financial Action Task Force (FATF) is concerned that the Islamic Republic of Iran's lack of a comprehensive anti-money laundering / combating the financing of terrorism (AML/CFT) regime represents a significant vulnerability within the international financial system. FATF calls upon Iran to address on an urgent basis its AML/CFT deficiencies, including those identified in the 2006 International Monetary Fund Article IV Consultation Report for Iran.

FATF members are advising their financial institutions to take the risk arising from the deficiencies in Iran's AML/CFT regime into account for enhanced due diligence.

FATF looks forward to engaging with Iran to address these deficiencies.

Notes:

1. For further information, journalists are invited to contact Mr. Rick McDonell, Executive Secretary, FATF (email: [contact@fatf-gafi.org](mailto:contact@fatf-gafi.org)).
2. The FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD.
3. The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Cooperation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.
4. India and the Republic of Korea are observer countries. The Asia Pacific Group on money laundering (APG)<sup>1</sup>, the Grupo de Acción Financiera de Sudamérica (GAFISUD)<sup>2</sup>, the Middle East and North Africa Financial Action Task Force (MENAFATF)<sup>3</sup> and the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL)<sup>4</sup> are Associate Members.
5. The global network that is committed to combating money laundering and terrorist financing also includes four other regional bodies: the Caribbean Financial Action Task Force (CFATF)<sup>5</sup>, the Eastern and South African Anti Money Laundering Group (ESAAMLG)<sup>6</sup>, the Eurasian Group on combating money laundering and financing of terrorism (EAG)<sup>7</sup> and the Groupe Intergouvernemental d'Action contre le Blanchiment en Afrique (GIABA)<sup>8</sup>. The Offshore Group of Banking Supervisors (OGBS)<sup>9</sup> is a part of this network as well.

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1 [www.apgml.org](http://www.apgml.org)  
2 [www.gafisud.org](http://www.gafisud.org)  
3 [www.menafatf.org](http://www.menafatf.org)  
4 [www.coe.int/moneyval](http://www.coe.int/moneyval)  
5 [www.cfatf.org](http://www.cfatf.org)  
6 [www.esaamlg.org](http://www.esaamlg.org)  
7 [www.eurasiangroup.org](http://www.eurasiangroup.org)  
8 [www.giaba-westafrica.org](http://www.giaba-westafrica.org)  
9 [www.ogbs.net](http://www.ogbs.net)



Financial Action Task Force ♦ Groupe d'action financière

## **FATF Statement**

**25 February 2009**

### **IRAN**

The FATF welcomes Iran's initial engagement with the international community on money laundering. However, the FATF remains concerned by Iran's failure to meaningfully address the ongoing and substantial deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime. The FATF remains particularly concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system. The FATF urges Iran to immediately and meaningfully address its AML/CFT deficiencies, in particular by criminalising terrorist financing and effectively implementing suspicious transaction reporting (STR) requirements.

The FATF reaffirms its call on members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures to protect their financial sectors from money laundering and financing of terrorism (ML/FT) risks emanating from Iran. Jurisdictions should also protect against correspondent relationships being used to bypass or evade counter-measures and risk mitigation practices, and take into account ML/FT risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdiction.

The FATF remains prepared to engage directly in assisting Iran to address its AML/CFT deficiencies, including through the FATF Secretariat.

### **UZBEKISTAN**

The FATF welcomes the process undertaken by Uzbekistan to adopt comprehensive AML/CFT measures within a specific timeframe. Nevertheless, given that concrete measures to address the identified deficiencies have not yet been implemented, the FATF reiterates its statement of 16 October 2008, calling on its members and urging all jurisdictions to strengthen preventive measures to protect their financial sectors from the ML/FT risk emanating from Uzbekistan.

## **TURKMENISTAN**

Despite a prolonged dialogue with the FATF and other international institutions, Turkmenistan has not yet made progress in adopting AML legislation. Financial institutions should remain aware that the lack of an AML/CFT regime in Turkmenistan constitutes an ML/FT vulnerability in the international financial system and should take appropriate measures to address this risk. Turkmenistan is urged to adopt without further delay a comprehensive AML/CFT regime that meets international AML/CFT standards. Turkmenistan is encouraged to continue to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

## **PAKISTAN**

The FATF reaffirms its public statement of 28 February 2008 regarding the ML/FT risks posed by Pakistan. The FATF welcomes the process underway in Pakistan to improve its AML/CFT regime. The FATF encourages Pakistan to continue to fully co-operate with the World Bank and the Asia Pacific Group on Money Laundering (APG) on its mutual evaluation process.

## **SÃO TOMÉ AND PRÍNCIPE**

The FATF welcomes São Tomé and Príncipe's recent steps toward addressing identified AML deficiencies, in particular, through the adoption of an AML law in November 2008. The FATF urges São Tomé and Príncipe to address the remaining AML/CFT deficiencies, particularly relating to terrorist financing.

Notes:

1. For further information, journalists are invited to contact Helen Fisher, OECD Media Relations, (Tel: +33 1 45 24 80 97 or [helen.fisher@oecd.org](mailto:helen.fisher@oecd.org)) or the FATF Secretariat, 2, rue André-Pascal, 75775 Paris Cedex 16 (tel: +33 1 45 24 90 90, fax: +33 1 44 30 61 37, email: [contact@fatf-gafi.org](mailto:contact@fatf-gafi.org)).
2. The FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The FATF Secretariat is housed at the OECD.
3. The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Co-operation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.
4. India and the Republic of Korea are observer countries. The Asia Pacific Group on Money Laundering (APG)<sup>1</sup>, the Caribbean Financial Action Task Force (CFATF)<sup>2</sup>, the Grupo de Acción Financiera de Sudamérica (GAFISUD)<sup>3</sup>, the Middle East and North Africa Financial Action Task Force (MENAFATF)<sup>4</sup> and the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)<sup>5</sup> are Associate Members.
5. The global network that is committed to combating money laundering and terrorist financing also includes three other regional bodies: the Eastern and South African Anti Money Laundering Group (ESAAMLG)<sup>6</sup>, the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)<sup>7</sup> and the Groupe Inter-gouvernemental d'Action Contre le Blanchiment en Afrique (GIABA)<sup>8</sup>. The Offshore Group of Banking Supervisors (OGBS)<sup>9</sup> is a part of this network as well.

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<sup>1</sup> [www.apgml.org](http://www.apgml.org)

<sup>2</sup> [www.cfatf.org](http://www.cfatf.org)

<sup>3</sup> [www.gafisud.org](http://www.gafisud.org)

<sup>4</sup> [www.menafatf.org](http://www.menafatf.org)

<sup>5</sup> [www.coe.int/moneyval](http://www.coe.int/moneyval)

<sup>6</sup> [www.esaamlg.org](http://www.esaamlg.org)

<sup>7</sup> [www.eurasiangroup.org](http://www.eurasiangroup.org)

<sup>8</sup> [www.giaba.org](http://www.giaba.org)

<sup>9</sup> [www.ogbs.net](http://www.ogbs.net)



## U.S. DEPARTMENT OF THE TREASURY

## Press Center

## Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism

10/25/2007

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hp-644

The U.S. Government is taking several major actions today to counter Iran's bid for nuclear capabilities and support for terrorism by exposing Iranian banks, companies and individuals that have been involved in these dangerous activities and by cutting them off from the U.S. financial system.

Today, the Department of State designated under Executive Order 13382 two key Iranian entities of proliferation concern: the Islamic Revolutionary Guard Corps (IRGC; aka Iranian Revolutionary Guard Corps) and the Ministry of Defense and Armed Forces Logistics (MODAFL). Additionally, the Department of the Treasury designated for proliferation activities under E.O. 13382 nine IRGC-affiliated entities and five IRGC-affiliated individuals as derivatives of the IRGC, Iran's state-owned Banks **Melli** and Mellat, and three individuals affiliated with Iran's Aerospace Industries Organization (AIO).

The Treasury Department also designated the IRGC-Qods Force (IRGC-QF) under E.O. 13224 for providing material support to the Taliban and other terrorist organizations, and Iran's state-owned Bank Saderat as a terrorist financier.

Elements of the IRGC and MODAFL were listed in the Annexes to UN Security Council Resolutions 1737 and 1747. All UN Member States are required to freeze the assets of entities and individuals listed in the Annexes of those resolutions, as well as assets of entities owned or controlled by them, and to prevent funds or economic resources from being made available to them.

The Financial Action Task Force, the world's premier standard-setting body for countering terrorist financing and money laundering, recently highlighted the threat posed by Iran to the international financial system. FATF called on its members to advise institutions dealing with Iran to seriously weigh the risks resulting from Iran's failure to comply with international standards. Last week, the Treasury Department issued a warning to U.S. banks setting forth the risks posed by Iran. (For the text of the Treasury Department statement see: [http://www.fincen.gov/guidance\\_fi\\_increasing\\_mlt\\_iranian.pdf](http://www.fincen.gov/guidance_fi_increasing_mlt_iranian.pdf).) Today's actions are consistent with this warning, and provide additional information to help financial institutions protect themselves from deceptive financial practices by Iranian entities and individuals engaged in or supporting proliferation and terrorism.

**Effect of Today's Actions**

As a result of our actions today, all transactions involving any of the designees and any U.S. person will be prohibited and any assets the designees may have under U.S. jurisdiction will be frozen. Noting the UN Security Council's grave concern over Iran's nuclear and ballistic missile program activities, the United States also encourages all jurisdictions to take similar actions to ensure full and effective implementation of UN Security Council Resolutions 1737 and 1747.

Today's designations also notify the international private sector of the dangers of doing business with three of Iran's largest banks, as well as the many IRGC-affiliated companies that pervade several basic Iranian industries.

**Proliferation Finance – Executive Order 13382 Designations**

E.O. 13382, signed by the President on June 29, 2005, is an authority aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters, and at isolating them from the U.S. financial and commercial systems. Designations under the Order prohibit all transactions between the designees and any U.S. person, and freeze any assets the designees may have under U.S. jurisdiction.

**The Islamic Revolutionary Guard Corps (IRGC):** Considered the military vanguard of Iran, the Islamic Revolutionary Guard Corps (IRGC; aka Iranian Revolutionary Guard Corps) is composed of five branches (Ground Forces, Air Force, Navy, Basij militia, and Qods Force special operations) in addition to a counterintelligence directorate and representatives of the Supreme Leader. It runs prisons, and has numerous economic interests involving defense production, construction, and the oil industry. Several of the IRGC's leaders have been sanctioned under UN Security Council Resolution 1747.

The IRGC has been outspoken about its willingness to proliferate ballistic missiles capable of carrying WMD. The IRGC's ballistic missile inventory includes missiles, which could be modified to deliver WMD. The IRGC is one of the primary regime organizations tied to developing and testing the Shahab-3. The IRGC attempted, as recently as 2006, to procure sophisticated and costly equipment that could be used to support Iran's ballistic missile and nuclear programs.

**Ministry of Defense and Armed Forces Logistics (MODAFL):** The Ministry of Defense and Armed Forces Logistics (MODAFL) controls the Defense Industries Organization, an Iranian entity identified in the Annex to UN Security Council Resolution 1737 and designated by the United States under E.O. 13382 on March 30, 2007. MODAFL also was sanctioned, pursuant to the Arms Export Control Act and the Export Administration Act, in November 2000 for its involvement in missile technology proliferation activities.

MODAFL has ultimate authority over Iran's Aerospace Industries Organization (AIO), which was designated under E.O. 13382 on June 28, 2005. The AIO is the Iranian organization responsible for ballistic missile research, development and production activities and organizations, including the Shahid Hemmat Industries Group (SHIG) and the Shahid Bakeri Industries Group (SBIG), which were both listed under UN Security Council Resolution 1737 and designated under E.O. 13382. The head of MODAFL has publicly indicated Iran's willingness to continue to work on ballistic missiles. Defense Minister Brigadier General Mostafa Mohammad Najjar said that one of MODAFL's major projects is the manufacturing of Shahab-3 missiles and that it will not be halted. MODAFL representatives have acted as facilitators for Iranian assistance to an E.O. 13382-designated entity and, over the past two years, have brokered a number of transactions involving materials and technologies with ballistic missile applications.

**Bank Melli, its branches and subsidiaries:** Bank Melli is Iran's largest bank. Bank Melli provides banking services to entities involved in Iran's nuclear and ballistic missile programs, including entities listed by the U.N. for their involvement in those programs. This includes handling transactions in recent months for Bank Sepah, Defense Industries Organization, and Shahid Hemmat Industrial Group. Following the designation of Bank Sepah under UNSCR 1747, Bank Melli took precautions not to identify Sepah in transactions. Through its role as a financial conduit, Bank Melli has facilitated numerous purchases of sensitive materials for Iran's nuclear and missile programs. In doing so, Bank Melli has provided a range of financial services on behalf of Iran's nuclear and missile industries, including opening letters of credit and maintaining accounts.

Bank Melli also provides banking services to the IRGC and the Qods Force. Entities owned or controlled by the IRGC or the Qods Force use Bank Melli for a variety of financial services. From 2002 to 2006, Bank Melli was used to send at least \$100 million to the Qods Force. When handling financial transactions on behalf of the IRGC, Bank Melli has employed deceptive banking practices to obscure its involvement from the international banking system. For example, Bank Melli has requested that its name be removed from financial transactions.

Bank Mellat, its branches, and subsidiaries: Bank Mellat provides banking services in support of Iran's nuclear entities, namely the Atomic Energy Organization of Iran (AEOI) and Novin Energy Company. Both AEOI and Novin Energy have been designated by the United States under E.O. 13382 and by the UN Security Council under UNSCRs 1737 and 1747. Bank Mellat services and maintains AEOI accounts, mainly through AEOI's financial conduit, Novin Energy. Bank Mellat has facilitated the movement of millions of dollars for Iran's nuclear program since at least 2003. Transfers from Bank Mellat to Iranian nuclear-related companies have occurred as recently as this year.

**RGC-owned or -controlled companies:** Treasury is designating the companies listed below under E.O. 13382 on the basis of their relationship to the IRGC. These entities are owned or controlled by the RGC and its leaders. The IRGC has significant political and economic power in Iran, with ties to companies controlling billions of dollars in business and construction and a growing presence in Iran's financial and commercial sectors. Through its companies, the RGC is involved in a diverse array of activities, including petroleum production and major construction projects across the country. In 2006, Khatam al-Anbiya secured deals worth at least \$7 billion in the oil, gas, and transportation sectors, among others.

- Khatam al-Anbiya Construction Headquarters
- Oriental Oil Kish
- Ghorb Nooh
- Sahel Consultant Engineering
- Ghorb-e Karbala
- Sepasad Engineering Co
- Omran Sahel
- Hara Company
- Gharargahe Sazandegi Ghaem

**RGC Individuals:** Treasury is designating the individuals below under E.O. 13382 on the basis of their relationship to the RGC. One of the five is listed on the Annex of UNSCR 1737 and the other four are listed on the Annex of UNSCR 1747 as key IRGC individuals.

- General Hosein Salimi, Commander of the Air Force, IRGC
- Brigadier General Morteza Rezaie, Deputy Commander of the IRGC
- Vice Admiral Ali Akhbar Ahmadian, Most recently former Chief of the IRGC Joint Staff
- Brigadier Gen. Mohammad Hejazi, Most recently former Commander of Bassij resistance force
- Brigadier General Qasem Soleimani, Commander of the Qods Force

**Other Individuals involved in Iran's ballistic missile programs:** E.O. 13382 derivative proliferation designation by Treasury of each of the individuals listed below for their relationship to the Aerospace Industries Organization, an entity previously designated under E.O. 13382. Each individual is listed on the Annex of UNSCR 1737 for being involved in Iran's ballistic missile program.

- Ahmad Vahid Dastjerdi, Head of the Aerospace Industry Organization (AIO)
- Reza-Gholi Esmaeli, Head of Trade & International Affairs Dept., AIO
- Bahmanyar Morteza Bahmanyar, Head of Finance & Budget Department, AIO

#### **Support for Terrorism -- Executive Order 13224 Designations**

E.O. 13224 is an authority aimed at freezing the assets of terrorists and their supporters, and at isolating them from the U.S. financial and commercial systems. Designations under the E.O. prohibit all transactions between the designees and any U.S. person, and freeze any assets the designees may have under U.S. jurisdiction.

**RGC-Qods Force ( RGC-QF):** The Qods Force, a branch of the Islamic Revolutionary Guard Corps ( RGC; aka Iranian Revolutionary Guard Corps), provides material support to the Taliban, Lebanese Hezbollah, Hamas, Palestinian Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC).

The Qods Force is the Iranian regime's primary instrument for providing lethal support to the Taliban. The Qods Force provides weapons and financial support to the Taliban to support anti-U.S. and anti-Coalition activity in Afghanistan. Since at least 2006, Iran has arranged frequent shipments of small arms and associated ammunition, rocket propelled grenades, mortar rounds, 107mm rockets, plastic explosives, and probably man-portable defense systems to the Taliban. This support contravenes Chapter VII UN Security Council obligations. UN Security Council resolution 1267 established sanctions against the Taliban and UN Security Council resolutions 1333 and 1735 imposed arms embargoes against the Taliban. Through Qods Force material support to the Taliban, we believe Iran is seeking to inflict casualties on U.S. and NATO forces.

The Qods Force has had a long history of supporting Hezbollah's military, paramilitary, and terrorist activities, providing it with guidance, funding, weapons, intelligence, and logistical support. The Qods Force operates training camps for Hezbollah in Lebanon's Bekaa Valley and has reportedly trained more than 3,000 Hezbollah fighters at RGC training facilities in Iran. The Qods Force provides roughly \$100 to \$200 million in funding a year to Hezbollah and has assisted Hezbollah in rearming in violation of UN Security Council Resolution 1701.

In addition, the Qods Force provides lethal support in the form of weapons, training, funding, and guidance to select groups of Iraqi Shi'a militants who target and kill Coalition and Iraqi forces and innocent Iraqi civilians.

**Bank Saderat its branches and subsidiaries:** Bank Saderat, which has approximately 3200 branch offices, has been used by the Government of Iran to channel funds to terrorist organizations, including Hezbollah and EU-designated terrorist groups Hamas, PFLP-GC, and Palestinian Islamic Jihad. For example, from 2001 to 2006, Bank Saderat transferred \$50 million from the Central Bank of Iran through its subsidiary in London to its branch in Beirut for the benefit of Hezbollah fronts in Lebanon that support acts of violence. Hezbollah has used Bank Saderat to send money to other terrorist organizations, including millions of dollars on occasion, to support the activities of Hamas. As of early 2005, Hamas had substantial assets deposited in Bank Saderat, and, in the past year, Bank Saderat has transferred several million dollars to Hamas.

#### **REPORTS**

- [Treasury and State Department Iran Designations Identifier](#)

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Fact Sheet: Treasury Strengthens Preventive Measures Against Iranp1258**

11/6/2008  
HP-1258

On October 16, the Financial Action Task Force (FATF), which has members representing 32 jurisdictions and is the world's premier standard-setting body for anti-money laundering and counter-terrorist financing (AML/CFT), warned for the fourth time about the risks posed to the international financial system by continuing deficiencies in Iran's AML/CFT regime. The FATF called for all countries to strengthen preventive measures to protect their financial systems from this risk. Additionally, the UN Security Council called upon all states in March 2008 to exercise vigilance over the activities of financial institutions in their territories with all Iranian banks.

Consistent with these multilateral calls for action, the Treasury Department is revoking the "U-turn" general license today to protect U.S. financial institutions individually, and the U.S. financial system as a whole, from the significant terrorist financing and proliferation risks posed by Iran. This regulatory action will close the last general entry point for Iran to the U.S. financial system.

Iran's access to the international financial system enables the Iranian regime to facilitate its support for terrorism and proliferation. The Iranian regime disguises its involvement in these illicit activities through the use of a wide array of deceptive techniques, specifically designed to avoid suspicion and evade detection by responsible financial institutions and companies. Iran also is finding ways to adapt to existing sanctions, including by turning to non-designated Iranian banks to handle illicit transactions.

The Treasury Department is taking a range of measures, including today's action, to counter these deceptive activities. The Treasury Department encourages all jurisdictions to adopt robust preventive measures consistent with the FATF warnings and relevant UN Security Council Resolutions (UNSCRs).

**Iran Misuses the International Financial System to Support Terrorism**

Iran is the world's most active state sponsor of terror. The support provided by the regime to terrorist groups includes financing that is routed through the international financial system, especially through Iranian state-owned banks.

- **Iran's Support to Terror.** The Department of State designated Iran as a state sponsor of international terrorism in 1984, and Iran remains the most active of the listed state sponsors of terrorism, routinely providing substantial resources and guidance to multiple terrorist organizations. For example, Hamas, Hizballah, and the Palestinian Islamic Jihad (PIJ) maintain representative offices in Tehran to help coordinate Iranian financing and training of these groups.
- **Iran's IRGC and IRGC-Qods Force Support Terrorist Groups.** Elements of Iran's Islamic Revolutionary Guard Corps (IRGC) have been directly involved in the planning and support of terrorist acts throughout the world, including in the Middle East, Europe and Central Asia, and Latin America. The IRGC-Qods Force, which has been designated under Executive Order 13224 for providing material support to the Taliban and other terrorist groups, is the Iranian regime's primary mechanism for cultivating and supporting terrorist and militant groups abroad. Qods Force-supported groups include: Lebanese Hizballah; Palestinian terrorists; certain Iraqi Shi'a militant groups; and Islamic militants in Afghanistan and elsewhere. The Qods Force is especially active in the Levant, providing Lebanese Hizballah with funding, weapons and training. It has a long history of supporting Hizballah's military, paramilitary and terrorist activities, and provides Hizballah with more than \$100 to \$200 million in funding each year. The Qods Force continues to provide the Taliban in Afghanistan with limited weapons, funding, logistics and training in support of anti-U.S. and anti-coalition activities.
- **Iran Uses its Banks to Finance Terrorism.** In a number of cases, Iran has used its state-owned banks to channel funds to terrorist organizations. Between 2001 and 2006, Bank Saderat transferred \$50 million from the Central Bank of Iran through Bank Saderat's subsidiary in London to its branch in Beirut for the benefit of Hizballah fronts that support acts of violence. Hizballah also used Bank Saderat to send funds to other terrorist organizations, including Hamas, which itself had substantial assets deposited in Bank Saderat as of early 2005. The Treasury Department designated Bank Saderat under E.O. 13224 for providing financial services to Hizballah, Hamas and PIJ. Australia has also designated Bank Saderat. Iran's Bank Mellat, which has been designated by the United States under E.O. 13382 for proliferation-related activities, was used to transfer at least \$100 million to the IRGC-Qods Force between 2002 and 2006.
- **Iran Lacks a Counter-Terrorist Financing Legal Regime.** In addition to its regime-directed support to terrorist organizations, Iran continues to lack a legal framework to counter the risk of terrorist financing and has not indicated a willingness to address this deficiency. The FATF's October statement on Iran notes that, while Iran has taken some steps towards implementing an anti-money laundering regime, there is a lack of even such a minimal "corresponding effort" by Iran in the area of counter-terrorist financing.

**Iran Misuses the International Financial System to Facilitate Proliferation**

- **Iran Continues to Pursue Nuclear Capabilities and Develop Ballistic Missiles.** In addition to its active support to terrorist and militant activities, Iran continues to defy the international community by pursuing nuclear capabilities and developing ballistic missiles in violation of five UNSCRs. Iran's failure to comply with these various resolutions has resulted in the UN Security Council's imposing sanctions against Iran. These have included specific provisions aimed at preventing Iran from abusing banks and the international financial system to pursue nuclear capabilities and develop ballistic missiles.
- **Iran Uses its Banks to Finance its Nuclear and Missile Programs.** Multiple Iranian financial institutions have been implicated in facilitating Iran's nuclear and ballistic missile programs.
  - **Bank Sepah.** Iran's state-owned Bank Sepah has been designated in the United States under E.O. 13382 and by the UN Security Council under UNSCR 1747. Bank Sepah has provided direct and extensive financial services, such as arranging financing and processing dozens of multi-million dollar transactions, for the Shahid Hemmat Industries Group (SHIG) and the Shahid Bakeri Industries Group (SBIG), two Iranian missile firms designated by the UN Security Council in UNSCR 1737 and identified by President Bush in the Annex to E.O. 13382 for their direct roles in advancing Iran's ballistic missile programs. Bank Sepah also has provided financial services to SHIG's and SBIG's parent entity, Iran's Aerospace Industries Organization (AIO), which also was identified by President Bush in the Annex to E.O. 13382 for its role in overseeing all of Iran's missile industries.
  - **Bank Mellat.** Iran's largest state-owned bank, Bank Mellat, has facilitated numerous purchases of sensitive materials for Iran's nuclear and missile programs on behalf of UN-designated entities. In doing so, Bank Mellat has provided a range of financial services to known proliferators, including letters of credit and the maintenance of accounts. The United States, the European Union, and Australia have designated Bank Mellat.
  - **Bank Mellat.** Iran's state-owned Bank Mellat has provided banking services in support of Iran's nuclear entities, namely the Atomic Energy Organization of Iran (AEOI) and Novin Energy Company. Bank Mellat, which was designated pursuant to E.O. 13382 in October 2007, has serviced and maintained AEOI accounts, mainly through AEOI's financial conduit, Novin Energy. Bank Mellat has facilitated the movement of millions of dollars for Iran's nuclear program since at least 2003.
  - **Export Development Bank of Iran.** On October 22, 2008, the Treasury Department designated the Export Development Bank of Iran (EDBI) under E.O. 13382 for providing or attempting to provide financial services to Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), which had been designated by both the European Union and the United States for its involvement in Iranian proliferation activities. Some MODAFL scientists and officials have also been designated by the UN. The EDBI provides financial services to multiple MODAFL-subordinate entities that permit these entities to advance Iran's WMD programs. Furthermore, the EDBI has facilitated the ongoing procurement activities of various front companies associated with MODAFL-subordinate entities.

In addition, since Bank Sepah's designation by the United States and the UN Security Council, the EDBI has served as one of the leading intermediaries handling Bank Sepah's financing, including WMD-related payments. The EDBI has also facilitated financing for other proliferation-related entities sanctioned under U.S. and UN authorities.

- **International Focus on Proliferation Risks Associated with Iranian Financial Institutions.** The role that Iranian financial institutions play in Iranian proliferation activities is underscored by UNSCR 1803, which was adopted in March 2008 and calls upon states to exercise vigilance over the activities of their financial institutions with all Iranian banks. The FATF issued guidance in October 2008 to assist countries in implementing this provision. That guidance recommends that jurisdictions encourage their financial institutions to take strong preventive measures for the mitigation of risks posed by Iranian banks, including refusing to process transactions involving Iranian banks when full information regarding the parties to the transaction is unavailable. The FATF guidance also recommends that jurisdictions encourage their financial institutions to reassess, and if necessary, terminate correspondent relationships with Iranian banks, and take steps to satisfy themselves that their correspondent relationships with non-Iranian financial institutions are not used to circumvent the risk-mitigation practices in place for Iranian banks.

#### **Iran Uses Deceptive Financial Practices to Evade Sanctions**

- **Iranian Commercial Banks.** It has been a standard practice for Iranian financial institutions to conceal their identity to evade detection when conducting transactions. For example, Bank Sepah has requested that its name be removed from transactions in order to make it more difficult for intermediary financial institutions to determine the true parties to a transaction. Following the designation of Bank Sepah under UNSCR 1747, Bank Melli took precautions not to identify Bank Sepah in transactions. Bank Melli also has employed similar deceptive practices to obscure its involvement from the international banking system when handling financial transactions on behalf of the RGC. In addition, when Iranian assets were targeted in Europe, branches of Iranian state-owned banks in Europe took steps to disguise ownership of assets on their books in order to protect assets from future actions.
- **Central Bank of Iran.** The Central Bank of Iran (CBI), the sole Iranian entity that regulates all Iranian banks, has not only engaged in deceptive practices itself – such as asking for its name to be removed from transactions – but has also encouraged such practices among Iran's state-owned banks. For example, prior to EU and UN sanctions, the CBI attempted to help Banks Sepah and Melli protect their assets from being frozen. Later, the CBI instructed non-sanctioned Iranian state-owned banks to issue payment instructions on behalf of Sepah in order to circumvent sanctions. In the case of Bank Melli, the CBI provided substantive assistance to minimize the impact of sanctions. In fact, between January and March 2008, the CBI handled tens of millions of dollars in transactions to and from the accounts of U.S.- and UN-designated banks held at the CBI.
- **Use of Front Companies and Misuse of Bank Accounts.** Iran hides behind front companies and intermediaries to engage in ostensibly legitimate financial and commercial transactions that are actually related to its nuclear or missile programs. Iranian entities form front companies outside of Iran for the sole purpose of exporting dual-use items to Iran that can be used in these programs. These front companies enable the regime to obtain materials that the country of origin would typically prohibit from being exported to Iran. Iran also has a history of using accounts set up for one purpose to facilitate activities with designated entities.
- **Use of Money Service Business Accounts.** Iran also has exploited its relationship with certain foreign money service businesses, capitalizing on a business model where the absence of an ongoing account relationship may mean that less information is collected on certain transactions.

#### **Effect of the Revocation of U-Turn License**

OFAC has revoked the authorization of "U-turn" transfers for the direct or indirect benefit of Iran, through an amendment of the Iranian Transactions Regulations, 31 CFR part 560, to narrow the scope of existing § 560.516. This action affects the "U-turn" class of funds transfers, which are so named because, while they are conducted on behalf of Iranian account holders and banks or in connection with Iran-related transactions, they only pass through the U.S. financial system on their way from one offshore non-Iranian financial institution to another.

As a result of today's action, U.S. depository institutions are no longer allowed to process "U-turn" transfers to or from Iran, or for the direct or indirect benefit of persons in Iran or the Government of Iran. The prohibition on U-turns applies not only to state-owned Iranian banks and the Central Bank of Iran, but also to privately-owned Iranian banks, Iranian companies, and the settlement of third-country trade transactions that involve Iran.

#### **Allowable Transactions**

Today's action will not affect funds transfers by U.S. depository institutions, through intermediary third-country banks, to or from Iran or for the direct or indirect benefit of the Government of Iran or a person in Iran arising from several types of underlying transactions including:

- A non-commercial remittance to or from Iran (e.g., a family remittance not related to a family-owned enterprise);
- The exportation to Iran or importation from Iran of information and informational materials;
- A travel-related remittance;
- Payment for the shipment of a donation of articles to relieve human suffering; or
- An underlying transaction authorized by OFAC through a specific or general license. Allowable funds transfers would include, for example, payments arising from over-flights of Iranian airspace, legal services, intellectual property protection, and authorized sales of agricultural products, medicine, and medical devices to Iran pursuant to the Trade Sanctions Reform and Export Enhancement Act.

## U.S. DEPARTMENT OF THE TREASURY

### Press Center

#### Fact Sheet: U.S. Treasury Department Targets Iran's Support for Terrorism Treasury Announces New Sanctions Against Iran's Islamic Revolutionary Guard Corps-Qods Force Leadership

8/3/2010

TG-810

The U.S. Department of the Treasury announced today a set of designations targeting the Government of Iran's support for terrorism and terrorist organizations, including Hizballah, Hamas, Palestinian Islamic Jihad (PIJ), the Popular Front for the Liberation of Palestine-General Command (PFLP-GC) and the Taliban. Iran is the primary funder of Hizballah and has long been recognized as the most active state sponsor of terrorism. Today's designations expose Iran's use of its state apparatus – including the Islamic Revolutionary Guard Corps-Qods Force – and state-run social service organizations to support terrorism under the guise of providing reconstruction and economic development assistance or social services.

Pursuant to Executive Order (E.O.) 13224 – which is aimed at freezing the assets of terrorists and their supporters, thereby isolating them from the U.S. financial and commercial systems – Treasury today designated:

- Four **Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF)** senior officers: **Hushang Allahdad**, **Hossein Musavi**, **Hasan Mortezaei** and **Mohammad Reza Zahedi** for their roles in the IRGC-QF's support of terrorism
- The **Iranian Committee for the Reconstruction of Lebanon (ICRL)** and its director, **Hessam Khoshnevis**, for providing financial, material, and technological support to Hizballah;
- The **Imam Khomeini Relief Committee (IKRC) Lebanon branch** for being owned or controlled by Hizballah and for providing financial and material support to Hizballah and its director, **Ali Zuraik**; and
- **Razi Musavi**, a Syria-based Iranian official, for providing financial and material support to Hizballah.

As a result of today's designations, all transactions involving any of the above designees and any U.S. person are prohibited, and any assets the designees may have under U.S. jurisdiction are frozen.

#### **Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) Leadership**

Treasury today further targeted the IRGC-QF by designating four of its senior officers: **Hushang Allahdad**, **Hossein Musavi**, **Hasan Mortezaei** and **Mohammad Reza Zahedi**.

- **Hushang Allahdad** has been a financial officer for the IRGC-QF since at least 2002. In this position, Allahdad personally oversees distribution of funds to Levant-based terrorist groups and provides financial support for designated terrorist entities including Hizballah, Hamas, and PIJ.
- IRGC-QF General **Hossein Musavi** is Commander of the IRGC-QF Ansar Corps, whose responsibilities include IRGC-QF activities in Afghanistan. As Ansar Corps Commander, Musavi has provided financial and material support to the Taliban.
- In his capacity as an IRGC-QF senior officer, Colonel **Hasan Mortezaei** provides financial and material support to the Taliban.
- **Mohammad Reza Zahedi**, the commander of the IRGC-QF in Lebanon, plays a key role in Iran's support to Hizballah. Zahedi held several senior positions in the IRGC-Qods Force including Commander of the Lebanon Corps and Deputy Commander of the Qods Force. He has also acted as a liaison to Hizballah and Syrian intelligence services and is reportedly charged with guaranteeing weapons shipments to Hizballah.

#### **IRGC and IRGC-QF Support for Terrorist Organizations**

The IRGC-QF is the Government of Iran's primary arm for executing its policy of supporting terrorist and insurgent groups. The IRGC-QF provides material, logistical assistance, training and financial support to militants and terrorist operatives throughout the Middle East and South Asia. It was designated by Treasury pursuant to E.O. 13224 in October 2007 for its support of terrorism.

The Government of Iran also uses the Islamic Revolutionary Guard Corps (IRGC) and IRGC-QF to implement its foreign policy goals, including, but not limited to, seemingly legitimate activities that provide cover for intelligence operations and support to terrorist and insurgent groups. These activities include economic investment, reconstruction, and other types of aid to Iraq, Afghanistan, and Lebanon, implemented by companies and institutions that act for or on behalf of, or are owned or controlled by the IRGC and the Iranian government.

- In Afghanistan, the IRGC-QF provides select members of the Taliban with weapons, funding, logistics and training. In Iraq, the Government of Iran trains, equips, and funds Iraqi Shia militant groups.
- In the Levant, the IRGC-QF continues to support designated terrorist groups such as Hizballah and Hamas. Hizballah is the largest recipient of Iranian financial aid, training, and weaponry; and Iran's senior leadership has cited Hizballah as a model for other militant groups. Iran also provides training, weapons, and money to Hamas, bolstering the group's ability to maintain its armed resistance and opposition to Israeli-Palestinian peace negotiations.

#### **Iranian Committee for the Reconstruction of Lebanon (ICRL)**

The ICRL provides financial, material, and technical support to Hizballah. It was established by the Government of Iran after the 2006 Israel-Hizballah conflict and functions as a key channel for Iran's support to Hizballah reconstruction efforts in Lebanon.

In addition to ICRL's stated mission of supporting reconstruction, ICRL has financed and facilitated Hizballah's infrastructure and private communications network that enables the terrorist group to communicate securely.

The ICRL has provided funding and engineering expertise to Hizballah's construction arm, Jihad al-Binaa, which was designated by Treasury pursuant to E.O. 13224 in February 2007.

Treasury also today designated ICRL director, **Hessam Khoshnevis** for providing technical support to Hizballah's reconstruction efforts in Lebanon and to the expansion of the terrorist group's private communications network. Khoshnevis also operates as President Ahmadinejad's personal representative in Lebanon.

#### **Imam Khomeini Relief Committee (IKRC) Lebanon Branch**

The IKRC in Lebanon is a Hizballah social service organization that was created by the Government of Iran in the 1980s and is directed and run by Hizballah members or cadre. Iran has provided millions of dollars to the Hizballah-run branch in Lebanon since 2007. The IKRC has helped fund and operate Hizballah youth training camps, which have been used to recruit future Hizballah members and operatives. Hizballah Secretary General Hassan Nasrallah has acknowledged the IKRC branch in Lebanon as one of Hizballah's openly-functioning institutions linked to and funded by Iran.

Also designated today is the director of IKRC in Lebanon, Ali Zuraik, for acting for or on behalf of the IKRC in Lebanon. Zuraik has also publicly acknowledged that the IKRC in Lebanon operates under the umbrella of Hizballah.

**Razi Musavi**

**Razi Musavi** is a Syria-based Iranian official who is a key conduit for Iranian support to Hizballah. He provides crucial support to Hizballah, including financial and material support to the Lebanon-based terrorist group that is closely allied with Iran and often acts at its behest.

Identifying Information:

Individual:

Hushang Allahdad

AKA:

Hushang Allahdadi

AKA:

Sa'id Golzari

Passport No.:

08550695

Passport No.:

A0022791

Individual:

Hossein Musavi

Nationality:

Iranian

Passport No:

A0016662 (issued October 29, 2002)

DOB:

October 23, 1960

POB:

Neishabour, Iran

Individual:

Hasan Mortezaei

AKA:

Ali Hassan Mortezaei

AKA:

Hassan Ali

AKA:

Majid Mirali Mortezaei

AKA:

Majid Mortezaei

Passport No:

7572775

Citizenship:

Iranian

DOB:

April 28, 1961

POB:

Ghazvin, Iran

Individual:

Mohammad Reza Zahedi

AKA:

Ali Reza Zahedi

AKA:

Reza Mahdavi

AKA:

Mohammad Riza Zahdi

AKA:

Hasan Mahdawi

Nationality:

Iranian

DOB:

1944

POB:

Esfahan, Iran

Location:

Beirut, Lebanon

Entity:

The Iranian Committee for the Reconstruction of Lebanon

AKA:

Iranian Headquarters for the Reconstruction of Lebanon

AKA:

Iran's Headquarters for the Reconstruction of Lebanon

AKA:

Iranian Committee for the Contribution in the Reconstruction of

Lebanon

AKA:

Iranian Organization for Reconstruction in Lebanon

AKA:

Iranian Committee for Rebuilding Lebanon

AKA:

Iranian Organization for Rebuilding Lebanon

AKA:

Iranian Contributory Organization for Reconstructing Lebanon

AKA:

Iranian Commission for Rebuilding Southern Lebanon

AKA:

Iranian Commission in Lebanon

AKA:

Iranian Committee to Reconstruct Lebanon

Location:

Near Iranian Embassy,

Brazilia Building, 1st Floor

Lebanon

Individual:

Hessam Khoshnevis

AKA:

Hesam Khosh-nevis

AKA:

Hesaam Khosh-Nevis

AKA:

Hesam Khoshnevis

AKA:

Hassan Khoshnvis

AKA:

Hussam Khosh

AKA:

Hussam Khoshnevis

AKA:

Hussam Khouchnoyess

Nationality:

Iranian

Passport:

A0023862

Entity:

Imam Khomeini Relief Committee (Lebanon Branch)

AKA:

Imam Khomeini Relief Organizati

on

AKA:

Islamic Charity Emdad

AKA:

Islamic Emdad Charitable Committee

AKA:

Comite Islamique Daides et de Biem Liban

AKA:

Imam Khomeiny Aid Committee

AKA:

Imdad Islamic Association Committee for Charity

AKA:

Islamic Charity Emdad Committee

AKA:

Emdad Assistance Foundation

AKA:

Emdad Committee for Islamic Charity

AKA:

Imdad Committee for Islamic Charity

AKA:

Imdad Association of the Islamic Philanthropic Committee

AKA:

al-Imdad

AKA:

Imam Khomeini Support Committee

AKA:

Imam Khomeini Emdad Committee

AKA:

Imam Khomeini Imdad Committee

AKA:

Komite Emdad Emam

AKA:

Imam Khomeini Foundation

AKA:

Khomeini Social Help Committee

AKA:

Khomeini Charitable Foundation

Location:

P.O. Box 25-211 Beirut AiRabi' Building

2nd Floor

Mokdad Street

Haret Hreik, Beirut, Lebanon

P.O. Box:

25/221 El Ghobeiry, Beirut, Lebanon

Individual:

Ali Hasan Zuraik

AKA:

Ali Hassan Zreik

AKA:

Ali Zraiq

AKA:

Ali Zurayq

AKA:

Ali Zreik

Passport No:

RL0266714

Passport No:  
1082625  
DOB:  
1952  
POB:  
Al Khayam, Lebanon  
Individual:  
Razi Musavi  
AKA:  
Hosein Razi Musavi  
DOB:  
1964  
Location:  
Damascus, Syria

###

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Fact Sheet: Treasury Designates Iranian Entities Tied to the IRGC and IRISL**

12/21/2010

***Treasury Targets the IRGC's Increasing Control over Iran's Economy, Exposes IRISL's Inability to Maintain Insurance***

The U.S. Department of the Treasury announced today a set of designations targeting the financial networks of the Islamic Revolutionary Guard Corps (IRGC) and the country's national maritime carrier, the Islamic Republic of Iran Shipping Lines (IRISL). Today's actions further expose the continued engagement of the IRGC and IRISL in illicit activities and deceptive behavior.

"Both the IRGC and IRISL are major institutional participants in Iran's illicit conduct and in its attempts to evade sanctions. We will therefore continue to target and expose their networks," said Under Secretary for Terrorism and Financial Intelligence Stuart Levey.

**Pursuant to Executive Order (E.O.) 13382 – an authority aimed at freezing the assets of proliferators of weapons of mass destruction (WMD) and their supporters thereby isolating them from the U.S. financial and commercial systems – Treasury today designated**

- **Bonyad Taavon Sepah for providing services to the IRGC and its Executive Director, Parviz Fattah, for acting on behalf of, and providing services to Bonyad Taavon Sepah**
- **Ansar Bank and Mehr Bank for providing financial services to the IRGC and**
- **Moallem Insurance Company for providing marine insurance to IRISL vessels.**

**Pursuant to E.O. 13224, which targets for sanctions terrorists and those providing support to terrorists or acts of terrorism, Treasury today designated**

**Liner Transport Kish for providing material support, including weapons to Hizballah on behalf of the IRGC.**

The IRGC continues to be a primary focus of U.S. and international sanctions against Iran because of the central role it plays in Iran's missile and nuclear programs, its support for terrorism, as well as its involvement in serious human rights abuses. The U.S., UN, EU, Japan, South Korea and others have all targeted the IRGC for sanctions because of this illicit activity. With the IRGC's expanding influence and control over broader segments of the Iranian economy – including the defense production, construction, and oil and gas industries – increasing numbers of Iranian businesses are subsumed under the IRGC's umbrella and identified with its illicit conduct.

Similarly, IRISL plays a key role in Iran's efforts to advance its missile programs and transport other military cargoes. The enhanced focus of U.S. and international sanctions on IRISL's illicit activities and deceptive practices has, among other things, led IRISL to default on commercial loans and has made it increasingly difficult for Iran to maintain insurance coverage on IRISL ships. As a result, IRISL has been unable to operate with its full fleet of ships.

**IRGC Designations**

Also known as the IRGC Cooperative Foundation, **Bonyad Taavon Sepah** was formed by IRGC commanders to structure the IRGC's investments. Eight of its nine-member Board of Trustees are senior IRGC personnel, including the Commander in Chief, Mohammad Ali Jafari, who was designated by Treasury pursuant to E.O. 13382 in June 2010. **Parviz Fattah**, the Executive Director of Bonyad Taavon Sepah was designated today for acting on behalf of, and providing services to, Bonyad Taavon Sepah.

Iranian bonyads are opaque, quasi-official organizations controlled by key current and past government officials and clerics. Bonyads receive benefits from the Iranian government but are not required to have their budgets publicly approved. They account for a significant portion of Iran's non-petroleum economy. Bonyad Taavon Sepah offers preferential financial services to IRGC personnel.

Bonyad Taavon Sepah created **Ansar Bank** to provide financial and credit services to IRGC personnel. IRGC members receive their salaries through Ansar Bank, which also provides special benefits to IRGC personnel. Initially, Ansar Bank operated as a credit union until it transitioned into a fully functioning bank in mid-2009, upon receiving a license from the Central Bank of Iran. Bonyad Taavon Sepah also created **Mehr Bank**, to serve the IRGC's Bassij, a volunteer militia that is controlled by the IRGC.

The IRGC has employed the use of **Liner Transport Kish (LTK)** to support terrorist activities outside of Iran. LTK has been known to provide shipping services outside of Iran in support of Hizballah on behalf of the IRGC. Formed in 2003, LTK is based on Kish Island, Iran.

The IRGC was designated by the U.S. Department of State, pursuant to E.O. 13382, in October 2007 for having engaged, or attempted to engage, in proliferation related activities. Including today's action, Treasury has designated 14 IRGC-affiliated individuals and entities since June 2010 for facilitating Iran's nuclear and ballistic missile program or support for terrorism.

**IRISL Designation**

**Moallem Insurance Company** was designated today for providing maritime insurance to IRISL vessels. IRISL has been unable to maintain adequate hull and protection-and-indemnity (P&I) insurance because of international sanctions. In October 2009, the UK froze all business ties with IRISL under its counter-terrorism authorities, effectively denying IRISL the ability to continue receiving insurance coverage and other services from UK-based P&I clubs. IRISL then sought insurance coverage from other European providers and P&I clubs that declined to provide this business in light of the recent UK action. For a short period, IRISL obtained insurance coverage from a Bermuda-based P&I club until the government of Bermuda enacted a law in January 2010 to mirror the UK action, forcing IRISL out of the Bermuda insurance market. In early 2010, IRISL was forced to turn to Tehran-based Moallem Insurance Company, which was not in the business of providing maritime insurance.

IRISL was designated by Treasury pursuant to E.O. 13382 in September 2008 for its provision of logistical services to Iran's Ministry of Defense and Armed Forces Logistics (MODAF), the arm of the Iranian military that oversees its ballistic missile program. Since being designated, IRISL has been increasingly isolated from the international financial system and has in turn engaged in deceptive behavior to evade the impact of sanctions and increased scrutiny of its activities – including by relying on an expansive network of front companies, falsifying shipping documents, changing the nominal ownership of vessels, and repainting ships, all to hide the affiliation of vessels with IRISL.

**Iranian Transactions Regulations (ITR) Identification**

3/7/2017

Fact Sheet: Treasury Designates Iranian Entities Tied to the IRGC and IRISL

In a separate action, Treasury today identified Pars Oil & Gas Company as an entity determined to be owned or controlled by the Government of Iran, as defined in the ITR. Pars Oil & Gas Company is a subsidiary of the National Iranian Oil Company and was established to develop the South Pars and North Pars gas fields. Until recently, an Iranian consortium led by the RGC's Khatam al-Anbiya handled the development of phases 15 and 16 of the South Pars gas field. Khatam al-Anbiya was designated under E.O. 13382 for proliferation activities in October 2007.

The ITR prohibit transactions between U.S. persons and the Government of Iran. These identifications allow U.S. persons and others to identify Iranian Government entities and protect themselves against the risks posed by any such entity.

Identifying Information:

Entity: BONYAD TAAVON SEPAH  
AKA: Bonyad-e Ta'avon-e Sepah  
AKA: RGC Cooperative Foundation  
AKA: Sepah Cooperative Foundation  
Location: Niayes Highway, Seoul Street, Tehran, Iran

Entity: ANSAR BANK  
AKA: Ansar Finance and Credit Fund  
AKA: Ansar Financial and Credit Institute  
FKA: Ansar Institute  
FKA: Ansar al-Mojahedin No-Interest Loan Institute  
FKA: Ansar Saving and Interest Free-Loans Fund  
Address: Building No. 539, North Pasdaran Street, Tehran, 19575-497, Iran

Entity: MEHR BANK  
AKA: Mehr Interest-Free Bank  
AKA: Mehr Finance and Credit Institute  
Address: 204 Taleghani Ave., Tehran, Iran

Individual: PARVIZ FATTAH  
AKA: Parviz Fattah-Qarehbaghi  
DOB: 1961  
Alternative DOB: 1962  
POB: Urmia, Iran

Entity: MOALLEM INSURANCE COMPANY  
Address: No. 56 Haghani Boulevard, Vanak Square,  
Tehran, 1517973511, Iran

Entity: L NER TRANSPORT KISH  
AKA: LTK  
Address: No. 141, Ground Floor, Kish City Services Building,  
Kish Island, Iran  
Address: No. 10, 3 Floor, Unit 6, Ebrahimi Junction 8th Bostan St.,  
Tehran, Iran  
Address: No. 537, Polygam Street, Mahmoud Abad Road, Khavar Shahr,  
Tehran, Iran  
Address: No. 7, 1st Floor, Dehghan Building, Shohada (Yadbood) Square,  
Bandar Abbas, Iran

Entity: PARS OIL AND GAS COMPANY  
AKA: POGC  
Address: No. 133, Side of Parvin Etesami Alley,  
opposite Sazman Ab - Dr. Fatemi Avenue, Tehran, Iran  
Address: No. 1 Parvin Etesami Street, Fatemi Avenue, Tehran, Iran

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## U.S. DEPARTMENT OF THE TREASURY

## Press Center

## Fact Sheet: Treasury Sanctions Major Iranian Commercial Entities

6/23/2011

**Treasury Targets Commercial Infrastructure of IRGC, Exposes Continued IRGC Support for Terrorism**

Today, the U.S. Department of the Treasury took action to designate two major Iranian commercial entities: Tidewater Middle East Co. (Tidewater) and Iran Air. Tidewater is a port operating company owned by Iran's Islamic Revolutionary Guard Corps (IRGC) that has been used by the IRGC for illicit shipments. Iran's national airline carrier, Iran Air, is a commercial airline used by the IRGC and Iran's Ministry of Defense and Armed Forces Logistics (MODAF) to transport military related equipment. Treasury also designated an individual and an entity for their ties to a company that provided support and weapons to Hizballah on behalf of the IRGC.

The IRGC continues to be a primary focus of U.S. and international sanctions against Iran because of the central role it plays in all forms of Iran's illicit conduct, including Iran's nuclear and ballistic missile programs, its support for terrorism, and its involvement in serious human rights abuses. As Iran's isolation has increased, the IRGC has expanded its reach into critical sectors of Iran's economic infrastructure – to the detriment of the Iranian private sector – to generate revenue and conduct business in support of Iran's illicit activities. Today's actions target core commercial interests of the IRGC, while also undermining the IRGC's ability to continue using these interests to facilitate its proliferation activities and other illicit conduct.

Pursuant to Executive Order (E.O.) 13382 – an authority aimed at freezing the assets of proliferators of weapons of mass destruction (WMD) and their supporters thereby isolating them from the U.S. commercial and financial systems – Treasury today designated:

- **Tidewater Middle East Co.:** for being owned by Mehr-e Eqtasad-e Iranian Investment Company, Mehr Bank and the IRGC;
- **Mehr-e Eqtasad-e Iranian Investment Company:** for being owned or controlled by Mehr Bank.
- **Iran Air:** for providing material support and services to the IRGC and MODAF, and Iran Air subsidiary **Iran Air Tours**.

Pursuant to E.O. 13224, which targets for sanctions terrorists and those providing support to terrorists or acts of terrorism, Treasury today designated:

- Iranian official **Behnam Shahriyari** for acting for or on behalf of Liner Transport Kish (LTK); and the **Behnam Shahriyari Trading Company** for being owned or controlled by Behnam Shariyari.

**Tidewater Middle East Co. (Tidewater)**

Tidewater-managed ports are a crucial component of Iran's infrastructure and transport network, and shipments into Tidewater facilities provide an avenue of revenue to the IRGC in support of its illicit conduct. The Iranian Government has repeatedly used Tidewater-managed ports to export arms or related materiel in violation of United Nations Security Council resolutions (UNSCRs).

Tidewater has operations at seven Iranian ports, including Bandar Abbas's main container terminal, Shahid Rajaei, which has played a key role in facilitating the Government of Iran's weapons trade.

Tidewater operations are at the following ports:

- Bandar Abbas (Shahid Rajaei Container Terminal)
- Bandar Imam Khomeini Grain Terminal
- Bandar Anzali
- Khorramshahr Port (one terminal)
- Assaluyeh Port
- Aprin Port
- Amir Abad Port Complex

Incidents of weapons shipments involving Tidewater-managed facilities include:

- An IRGC-Qods Force weapons shipment seized by Nigeria in late October 2010 was loaded at the Shahid Rajaei container terminal at Bandar Abbas.
- A container shipment of arms-related material, which was discovered in October 2009 aboard the German-owned and IRISL-chartered ship, the Hansa India, was loaded at Bandar Abbas.
- A container shipment of arms-related material departed Bandar Abbas in January 2009 on the Cypriot-flagged and IRISL-chartered ship, the M/V Monchegorsk, before it was stopped by the U.S. Navy and later seized by Cypriot authorities.

Tidewater was designated today for being owned by Mehr-e Eqtasad-e Iranian Investment Company, Mehr Bank and the IRGC. Bonyad Taavon Sepah, an entity formed by IRGC commanders to structure IRGC investments, along with Ansar Bank and Mehr Bank – both created by Bonyad Taavon Sepah – were designated by Treasury pursuant to E.O. 13382 in December 2010.

Mehr-e Eqtasad-e Iranian Investment Company was also sanctioned today for being owned or controlled by IRGC-created Mehr Bank, which was designated by Treasury pursuant to E.O. 13382 in December 2010.

In August 2010, Treasury issued the Iranian Financial Sanctions Regulations (IFSR) to implement the financial provisions of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA). Under the IFSR, Treasury has the authority to prohibit, or impose strict conditions on, foreign financial institutions' direct access to the U.S. financial system if they knowingly facilitate significant transactions or provide significant financial services for the RGC or its agents or affiliates – such as Tidewater – that have been designated by the United States under the International Emergency Economic Powers Act, which provides the authority for designations under E.O. 13382 and 13224.

The entity being designated today, Tidewater Middle East Co., is separate and distinct from Tidewater Inc., an international shipping company headquartered in the United States and listed on the New York Stock Exchange as TDW. Today's sanctions are not imposed on Tidewater Inc.

#### Iran Air

Iran Air serves as Iran's national air carrier, operating a fleet of approximately 40 aircraft covering 35 international and 25 domestic destinations. Iran Air Tours is a subsidiary that operates a portion of Iran Air's domestic flights. Iran Air has provided support and services to MODAFL and the IRGC through the transport and/or transfer of goods for, or on behalf of, these entities. On numerous occasions since 2000, Iran Air shipped military-related electronic parts and mechanical equipment on behalf of MODAFL.

MODAFL was designated by the U.S. Department of State in October 2007 under E.O. 13382 and has brokered a number of transactions involving materials and technologies with ballistic missile applications.

Iran Air has shipped military-related equipment on behalf of the IRGC since 2006, and in September and November 2008, Iran Air shipped aircraft-related raw materials to a MODAFL-associated company, including titanium sheets, which have dual-use military applications and can be used in support of advanced weapons programs.

Rockets or missiles have been transported via Iran Air passenger aircraft, and RGC officers occasionally take control over Iran Air flights carrying special IRGC-related cargo. The RGC is also known to disguise and manifest such shipments as medicine and generic spare parts, and IRGC officers have discouraged Iran Air pilots from inspecting potentially dangerous IRGC-related cargo being carried aboard a commercial Iran Air aircraft, including to Syria.

Additionally, commercial Iran Air flights have also been used to transport missile or rocket components to Syria.

Adopted in March 2008, UNSCR 1803 called upon all States in accordance with their national legal authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, to inspect the cargoes to and from Iran of aircraft owned or operated by Iran Air Cargo, provided there are reasonable grounds to believe that the aircraft is transporting goods prohibited under UNSCR 1803 or previous UNSCRs.

Iran Air Tours serves as Iran Air's domestic air carrier, operating a fleet of 14 aircraft connecting 13 Iranian cities with two main hubs in Tehran and Mashhad, Iran.

#### Behnam Shahriyari and Shahriyari Trading Company

Iranian official Behnam Shahriyari was designated today for acting for or on behalf of Liner Transport Kish (LTK), an IRGC-linked shipping company that was designated by Treasury pursuant to E.O. 13224 in December 2010 for providing material support, including weapons, to Hizballah on behalf of the RGC. Shahriyari acted as LTK's business and marketing manager. Additionally, Shahriyari operates the Behnam Shahriyari Trading Company, also designated today.

#### Background on the IRGC

The RGC has a growing presence in Iran's financial and commercial sectors and extensive economic interests in the defense production, construction, and oil industries, controlling billions of dollars in corporate business. Given its increased involvement in commercial activity, imposing financial sanctions on commercial enterprises of the RGC has a direct impact on revenues that could be used by the IRGC to facilitate illicit conduct.

The RGC was first designated by the United States pursuant to E.O. 13382 in October 2007 for having engaged, or attempted to engage, in proliferation related activities. The RGC was also designated by the United States in June 2011 pursuant to E.O. 13556 for its role in the sustained and severe human rights abuses in Iran since the disputed June 2009 presidential election. The UN, European Union, Japan, South Korea and others have all targeted the RGC and/or its affiliates for sanctions because of its illicit activities.

#### Identifying Information:

**Entity**                    **Tidewater Middle East Co.**  
 AKA:                      Tide Water Company  
 AKA:                      Tide Water Middle East Marine Service  
 AKA:                      Tidewater Co. (Middle East Marine Services)  
 Address:                 No. 80, Tidewater Building, Vozara Street, Next to Saie Park, Tehran, Iran

**Entity**                    **Mehr-e Eqtesad-e Iranian Investment Company**  
 AKA:                      Mehr Eghtesad Iranian Investment Company  
 AKA:                      Mehr Iranian Economy Company  
 AKA:                      Mehr Iranian Economy Investments  
 FKA:                      Tejarat Tose'e Eqtesadi Iranian  
 Address:                 No. 18, Iranian Building, 14th Alley, Ahmad Qassir Street, Argentina Square, Tehran, Iran  
 Alt. Address:            No. 48, 14th Alley, Ahmad Qassir Street, Argentina Square, Tehran, Iran

**Entity**                    **Iran Air**  
 AKA:                      Airline of the Islamic Republic of Iran (Homa)  
 AKA:                      Havapeyma Meli Iran Homa  
 AKA:                      Homa  
 AKA:                      Iran Air Cargo  
 AKA:                      Iran Air P J S C  
 AKA:                      Iranair  
 AKA:                      Iranair Cargo  
 AKA:                      National Iranian Airlines (Homa)

2/21/2017

Fact Sheet: Treasury Sanctions Major Iranian Commercial Entities

FKA: Sherkat Sahami Aam Havopaymaie Jomhuri Islami Iran  
Address: P.O. Box 13185-775, Mehrabad Airport, Tehran, Iran  
Alt. Address: Flour2, Cargo Building, Terminal 3, Mehrabad Airport, Tehran, Iran  
Alt. Address: Bimeh Alborz side - 2km of karaj special road

**Entity** **Iranair Tours**  
AKA: Iran Air Tours  
AKA: Iran Airtour Airline  
Address: 187 Mofatteh Cross-Motahari Ave, Tehran 1587997811, Iran  
Alt. Address: 191 Motah-hari Ave., Dr. Mofatteh Crossroads, Tehran 15879, Iran  
Alt. Address: 191-Motahari Ave., Tehran 15897, Iran  
Alt. Address: 110 Ahmadabad Ave., Between Mohtashami and Edalat Street, Mashhad 9176663479, Iran

**Individual** **Behnam Shahriyari**  
AKA: Behnam Shahryari  
AKA: Behnam Shahriari  
DOB: 1968

**Entity** **Behnam Shahriyari Trading Company**  
Address: Ziba Building, 10<sup>th</sup> floor, Northern Sohrevardi Street, Tehran, Iran

**Interest in Electing Investment Partnership (EIP).**

*Abstract:* The American Jobs Creation Act of 2004, Public Law 108–357, 118 Stat. 1418 (the Act), was enacted on October 22, 2004. The Treasury Department and the Internal Revenue Service intend to issue regulations implementing §§ 833 and 834 of the Act, which amended 704, 734, 743, and 6031 of the Internal Revenue Code. This notice provides interim procedures for partnerships and their partners to comply with the mandatory basis provisions of 734 and 743, as amended by the Act. This notice also provides interim procedures for electing investment partnerships (EIPs) and their partners to comply with §§ 743(e) and 6031(f), as provided in § 833(b) of the Act.

*Respondents:* Private Sector: Businesses or other for-profits.

*Estimated Total Burden Hours:* 552,100.

*OMB Number:* 1545–1940.

*Type of Review:* Extension without change of a currently approved collection.

*Title:* RP–2005–26—Revenue Procedure Regarding Extended Period of Limitations for Listed Transaction Situations.

*Abstract:* This revenue procedure provides procedures that taxpayers and material advisors may use to disclose a listed transaction that the taxpayer previously failed to disclose.

*Respondents:* Individuals and Households.

*Estimated Total Burden Hours:* 430.

*OMB Number:* 1545–2129.

*Type of Review:* Extension without change of a currently approved collection.

*Title:* Exercise of an Incentive Stock Option Under \* \* \* ; Transfer of Stock Acquired Through an \* \* \* ; REG–103146–08—Information Reporting Requirements Under Code Sec. 6039.

*Forms:* 3922, 3921.

*Abstract:* Form 3921 is a copy of the information return filed with the IRS which transferred shares of stock to a recipient through exercise of an incentive stock option under section 422(b). Form 3922 is used to record a transfer of the legal title of a share of stock acquired by the employee where the stock was acquired pursuant to the exercise of an option described in section 423(c). REG–103146–08—reflects the changes to section 6039 of the Internal Revenue Code made by section 403 of the Tax Relief and Health Care Act of 2006.

*Respondents:* Private Sector: Businesses or other for-profits.

*Estimated Total Burden Hours:* 25,205.

*Bureau Clearance Officer:* Yvette Lawrence, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224; (202) 927–4374.

*OMB Reviewer:* Shagufta Ahmed, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503; (202) 395–7873.

**Dawn D. Wolfgang,**

*Treasury PRA Clearance Officer.*

[FR Doc. 2011–30353 Filed 11–23–11; 8:45 am]

**BILLING CODE 4830–01–P**

**DEPARTMENT OF THE TREASURY**

**Finding That the Islamic Republic of Iran Is a Jurisdiction of Primary Money Laundering Concern**

**AGENCY:** The Financial Crimes Enforcement Network (“FinCEN”), Treasury.

**ACTION:** Notice of finding.

**SUMMARY:** Pursuant to the authority contained in 31 U.S.C. 5318A, the Secretary of the Treasury, through his delegate, the Director of FinCEN, finds that reasonable grounds exist for concluding that the Islamic Republic of Iran is a jurisdiction of primary money laundering concern.

**DATES:** The finding made in this notice is effective as of November 25, 2011.

**FOR FURTHER INFORMATION CONTACT:** Regulatory Policy and Programs Division, FinCEN, (800) 949–2732.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

*A. Statutory Provisions*

On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), Public Law 107–56. Title III of the USA PATRIOT Act amends the anti-money laundering provisions of the Bank Secrecy Act (“BSA”), codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–5314 and 5316–5332, to promote prevention, detection, and prosecution of international money laundering and the financing of terrorism. Regulations implementing the BSA appear at 31 CFR Chapter X.

Section 311 of the USA PATRIOT Act (“section 311”) added 31 U.S.C. section 5318A to the BSA, granting the Secretary of the Treasury (the “Secretary”) the authority, upon finding that reasonable grounds exist for concluding that a foreign jurisdiction,

institution, class of transactions, or type of account is of “primary money laundering concern,” to require domestic financial institutions and financial agencies to take certain “special measures” against the primary money laundering concern. Section 311 identifies factors for the Secretary to consider and requires Federal agencies to consult before the Secretary may conclude that a jurisdiction, institution, class of transaction, or type of account is of primary money laundering concern. The statute also provides similar procedures, *i.e.*, factors and consultation requirements, for selecting the specific special measures to be imposed against the primary money laundering concern. For purposes of the finding contained in this notice, the Secretary has delegated his authority under section 311 to the Director of FinCEN.<sup>1</sup>

Taken as a whole, section 311 provides the Secretary with a range of options that can be adapted to target specific money laundering and terrorist financing concerns most effectively. Through the imposition of various special measures, the Secretary can gain more information about the jurisdictions, institutions, transactions, or accounts of concern; can more effectively monitor the respective jurisdictions, institutions, transactions, or accounts; or can prohibit U.S. financial institutions from involvement with jurisdictions, institutions, transactions, or accounts that pose a money laundering concern.

Before making a finding that reasonable grounds exist for concluding that a jurisdiction is of primary money laundering concern, the Secretary is required to consult with both the Secretary of State and the Attorney General. The Secretary is also required by section 311, as amended,<sup>2</sup> to consider “such information as the Secretary determines to be relevant, including the following potentially relevant factors,” which extend the Secretary’s consideration beyond traditional money laundering concerns to issues involving, *inter alia*, terrorist financing and weapons proliferation:

- Evidence that organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction (“WMD”) or missiles, have transacted business in that jurisdiction;

<sup>1</sup> Therefore, references to the authority and findings of the Secretary in this document apply equally to the Director of FinCEN.

<sup>2</sup> 31 U.S.C. 5318A was amended by section 501 of the Iran Freedom Support Act of 2006, Public Law 109–293.

- The extent to which that jurisdiction or financial institutions operating in that jurisdiction offer bank secrecy or special regulatory advantages to nonresidents or nondomiciliaries of that jurisdiction;
- The substance and quality of administration of the bank supervisory and counter-money laundering laws of that jurisdiction;
- The relationship between the volume of financial transactions occurring in that jurisdiction and the size of the economy of the jurisdiction;
- The extent to which that jurisdiction is characterized as an offshore banking or secrecy haven by credible international organizations or multilateral expert groups;
- Whether the United States has a mutual legal assistance treaty with that jurisdiction, and the experience of U.S. law enforcement officials and regulatory officials in obtaining information about transactions originating in or routed through or to such jurisdiction; and
- The extent to which that jurisdiction is characterized by high levels of official or institutional corruption.

If the Secretary determines that reasonable grounds exist for concluding that a jurisdiction is of primary money laundering concern, the Secretary is authorized to impose one or more of the special measures in section 311 to address the specific money laundering risks. Section 311 provides a range of special measures that can be imposed individually, jointly, in any combination, and in any sequence.<sup>3</sup> Before imposing special measures, the statute requires the Secretary to consult with appropriate federal agencies and other interested parties<sup>4</sup> and to consider the following specific factors:

<sup>3</sup> Available special measures include requiring: (1) Recordkeeping and reporting of certain financial transactions; (2) collection of information relating to beneficial ownership; (3) collection of information relating to certain payable-through accounts; (4) collection of information relating to certain correspondent accounts; and (5) prohibition or conditions on the opening or maintaining of correspondent or payable-through accounts. 31 U.S.C. 5318A(b)(1)–(5). For a complete discussion of the range of possible countermeasures, see 68 FR 18917 (April 17, 2003) (proposing special measures against Nauru).

<sup>4</sup> Section 5318A(a)(4)(A) requires the Secretary to consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency, the Secretary of State, the Securities and Exchange Commission (“SEC”), the Commodity Futures Trading Commission (“CFTC”), the National Credit Union Administration (“NCUA”), and, in the sole discretion of the Secretary, “such other agencies and interested parties as the Secretary may find to be appropriate.” The consultation process must also include the Attorney General if the Secretary is considering prohibiting or imposing conditions on domestic financial institutions opening or

- Whether similar action has been or is being taken by other nations or multilateral groups;
- Whether the imposition of any particular special measures would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;
- The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction; and
- The effect of the action on U.S. national security and foreign policy.

#### B. Iran

Iran’s banking sector comprises Iranian state-owned commercial banks, specialized Iranian government banks, and privately owned Iranian financial institutions.<sup>5</sup> Some of these Iranian financial institutions<sup>6</sup> operate multiple overseas branches and subsidiaries in Asia, Europe, and the Middle East<sup>7</sup> and maintain relationships in key global financial centers.<sup>8</sup>

In recent years, many international financial institutions have severed ties with Iranian banks and entities because of a growing body of public information about their illicit and deceptive conduct designed to facilitate the Iranian government’s support for terrorism and its pursuit of nuclear and ballistic missile capabilities. This illicit conduct by Iranian banks and companies has been highlighted in a series of United Nations Security Council (“UN Security Council”) resolutions related to Iranian proliferation sensitive activities. The Financial Action Task Force<sup>9</sup> (“FATF”) has also warned publicly of the risks that Iran’s deficiencies in countering money laundering and, particularly, terrorism finance, pose to the international financial system, and has

maintaining correspondent account relationships with the targeted entity.

<sup>5</sup> Central Bank of the Islamic Republic of Iran. (<http://www.cbi.ir/simplelist/1462.aspx>). At various points in this finding, FinCEN references public media sources to support statements of fact. FinCEN has utilized both public and non-public sources in reaching such conclusions.

<sup>6</sup> *Id.*

<sup>7</sup> The Bankers Almanac, September 2011.

<sup>8</sup> *Id.*

<sup>9</sup> The Financial Action Task Force is an inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing. The FATF is therefore a “policy-making body” that works to generate the necessary political will to bring about legislative and regulatory reforms in these areas. (<http://www.fatf-gafi.org>).

called on FATF members and all jurisdictions to implement counter measures to protect against these risks. Despite the resulting reduction in Iranian financial institutions’ access to correspondent and other financial relationships with major financial institutions,<sup>10</sup> both designated and non-designated Iranian banks continue to maintain a presence in the international financial system.

## II. Analysis of Factors

Based upon a review and analysis of the administrative record in this matter, consultations with relevant Federal agencies and departments, and after consideration of the factors enumerated in section 311, the Director of FinCEN has determined that reasonable grounds exist for concluding that Iran is a jurisdiction of primary money laundering concern. While FinCEN has considered all potentially relevant factors set forth in Section 5318A, a discussion of those most pertinent to this finding follows. FinCEN has reason to believe that Iran directly supports terrorism and is pursuing nuclear/ballistic missile capabilities, relies on state agencies or state-owned or controlled financial institutions to facilitate WMD proliferation and financing, and uses deceptive financial practices to facilitate illicit conduct and evade sanctions. All of these factors, when taken together, make the international financial system increasingly vulnerable to the risk that otherwise responsible financial institutions will unwittingly participate in Iran’s illicit activities.

### A. Evidence That Organized Criminal Groups, International Terrorists, or Entities Involved in the Proliferation of Weapons of Mass Destruction or Missiles, Have Transacted Business in That Jurisdiction

#### 1. Iran’s Support for Terrorism and Pursuit of Nuclear and Ballistic Missile Capabilities

*Support for Terrorism:* The Department of State designated Iran as a state sponsor of international terrorism in 1984,<sup>11</sup> and has reiterated this designation every year since 2000 in its annual Country Reports on Terrorism.<sup>12</sup> Iran remains the most active of the listed state sponsors of terrorism, routinely providing substantial

<sup>10</sup> “Sanctions Against Iran: A Promising Struggle,” The Washington Quarterly, Summer 2008.

<sup>11</sup> See “State Sponsors of Terrorism,” U.S. Department of State, August 18, 2011 (<http://www.state.gov/s/ct/rls/crt/2010/170260.htm>).

<sup>12</sup> *Id.*

resources and guidance to multiple terrorist organizations.<sup>13</sup> Iran has provided extensive funding, training, and weaponry to Palestinian terrorist groups, including Hamas and the Palestinian Islamic Jihad ("PIJ").<sup>14</sup> In fact, Hamas,<sup>15</sup> PIJ,<sup>16</sup> and Hizballah<sup>17</sup> have maintained offices in Tehran to help coordinate Iranian financing and training of these groups.

Iran's Islamic Revolutionary Guard Corps ("IRGC") was founded in the aftermath of the 1979 Islamic Revolution to defend the government against internal and external threats.<sup>18</sup> Since then, it has expanded far beyond its original mandate and evolved into a social, military, political, and economic force with strong influence on Iran's power structure.<sup>19</sup> In addition, elements of the IRGC have been directly involved in the planning and support of terrorist acts throughout the Middle East region.<sup>20</sup>

In particular, Iran has used the IRGC-Qods Force<sup>21</sup> ("Qods Force") to cultivate and support terrorists and militant groups abroad. The Qods Force reportedly has been active in the Levant, where it has a long history of supporting Hizballah's military, paramilitary, and terrorist activities, and provides Hizballah with as much as \$200 million in funding per year.<sup>22</sup> Additionally, the Qods Force provides the Taliban in Afghanistan with weapons, funding, logistics, and training in support of anti-U.S. and anti-coalition activity.<sup>23</sup> Information dating from at least 2006 indicates that Iran has arranged frequent shipments to the Taliban of small arms and associated ammunition, rocket

propelled grenades, mortar rounds, 107 mm rockets, and plastic explosives.<sup>24</sup> Iran also has helped train Taliban fighters within Iran and Afghanistan.<sup>25</sup> Taliban commanders have stated that they were paid by Iran to attend three month training courses within Iran.<sup>26</sup> In August 2011, a Taliban commander claimed to have trained in Iran and been offered \$50,000 by Iranian officials in return for destroying a dam in Afghanistan.<sup>27</sup> Most recently, on October 11, 2011, the Department of Justice charged two individuals for their alleged participation in a plot directed by the Qods Force to murder the Saudi ambassador to the United States with explosives while the Ambassador was in the United States.<sup>28</sup> On the same day, the Treasury Department announced the designation of five individuals, including the commander of the Qods Force and three other senior Qods Force officers connected to the assassination plot, as well as the individual responsible for arranging the assassination plot on behalf of the Qods Force.<sup>29</sup>

Iran has also permitted al-Qaida to funnel funds and operatives through its territory. In July 2011, the U.S. Department of the Treasury ("Treasury") designated an al-Qa'ida network headed by an individual living and operating in Iran under an agreement between al-Qa'ida and the Iranian government.<sup>30</sup> The designation of six members of this network illustrated Iran's role as a critical transit point for funding to support al-Qa'ida's activities in Afghanistan and Pakistan as this network serves as a pipeline through which al-Qa'ida moves money, facilitators, and operatives from across the Middle East to South Asia.<sup>31</sup>

Finally, Iran is known to have used state-owned banks to facilitate terrorist financing. In 2007, the Treasury designated Bank Saderat under E.O. 13224 for its financial support of terrorist organizations, noting that from 2001 to 2006 Bank Saderat transferred \$50 million from the Central Bank of Iran through its subsidiary in London to its branch in Beirut for the benefit of Hizballah fronts in Lebanon that support acts of violence.<sup>32</sup>

*Pursuit of nuclear/ballistic missile capabilities:* Iran also continues to defy the international community by pursuing nuclear capabilities and developing ballistic missiles in violation of seven UNSCRs.<sup>33</sup> Iran's failure to comply with these resolutions has resulted in the UN Security Council's imposition of sanctions against Iran. These have included specific provisions aimed at preventing Iran from accessing the international financial system in order to pursue nuclear capabilities and to develop ballistic missiles.<sup>34</sup> To date, Iran has not complied with the UN Security Council resolutions regarding its nuclear and missile activities,<sup>35</sup> and continues to assert that it will not abandon its program to create nuclear fuel and enrich uranium.<sup>36</sup> This summer, Iran announced that it would triple production of its most concentrated uranium fuel, which is enriched to near 20% purity, and that some of this production would be transferred to Iran's facility near Qom.<sup>37</sup> This is a significant development because the technical work required to produce 20% enriched uranium from 3.5% is more difficult than that required to advance from 20% to the 90% weapons-grade level.<sup>38</sup>

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> "Ex-Iranian President Offers Mediation Between Hamas, Fatah, Kuwait KUNA," KUNA, June 30, 2007.

<sup>16</sup> See "Palestine Islamic Jihad envoy to Tehran says moderate Arabs hamper victory," Tehran Jomhuri-ye Eslami, December 10, 2007.

<sup>17</sup> See "Hezbollah's hate, made in Iran," National Post, July 28, 2006.

<sup>18</sup> See "Iran's Revolutionary Guards," Council on Foreign Relations, June 22, 2009 ([http://www.cfr.org/publication/14324/iran\\_revolutionary\\_guards.html](http://www.cfr.org/publication/14324/iran_revolutionary_guards.html)).

<sup>19</sup> *Id.*

<sup>20</sup> See "Country Reports on Terrorism 2010," U.S. Department of State, August 18, 2011 (<http://www.state.gov/s/ct/rls/crt/2010/170260.htm>).

<sup>21</sup> IRGC-Qods Force was designated under E.O. 13224 for providing material support for the Taliban and other terrorist groups. See "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>).

<sup>22</sup> See "Islamic Revolutionary Guards Corps," Anti-Defamation League, May 26, 2010.

<sup>23</sup> See "Country Reports on Terrorism 2010," U.S. Department of State, August 18, 2011 (<http://www.state.gov/s/ct/rls/crt/2010/170260.htm>).

<sup>24</sup> *Id.*

<sup>25</sup> "Taliban Fighters Training in Iran, U.S. Officials Say," CNN, March 23, 2010 ([http://articles.cnn.com/2010-03-23/world/iran\\_taliban\\_1\\_taliban-fighters-afghan-taliban-iranian-official?\\_s=PM:WORLD](http://articles.cnn.com/2010-03-23/world/iran_taliban_1_taliban-fighters-afghan-taliban-iranian-official?_s=PM:WORLD)).

<sup>26</sup> "Iranians Train Taliban to Use Roadside Bombs," The Sunday Times, March 21, 2010.

<sup>27</sup> See "Captured Taliban Commander: 'I Received Iranian Training'," Radio Free Europe, August 23, 2011.

<sup>28</sup> See "Attorney General Holder Holds National Security Enforcement Press Conference," October 11, 2011 (<http://www.justice.gov/iso/opa/ag/speeches/2011/ag-speech-111011.html>).

<sup>29</sup> See "Treasury Sanctions Five Individuals Tied to Iranian Plot to Assassinate the Saudi Arabian Ambassador to the United States," October 11, 2011 (<http://www.treasury.gov/press-center/press-releases/pages/tg1320.aspx>).

<sup>30</sup> See "Treasury Targets Key Al-Qa'ida Funding and Support Network Using Iran as a Critical Transit Point," Press Release, July 28, 2011 (<http://www.treasury.gov/press-center/press-releases/Pages/tg1261.aspx>).

<sup>31</sup> *Id.*

<sup>32</sup> See Treasury's "Fact Sheet: Treasury Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," October 25, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>).

<sup>33</sup> See UNSCRs 1696, 1737, 1747, 1803, 1835, 1887, and 1929 (<http://www.un.org/documents/scres.htm>).

<sup>34</sup> *Id.*

<sup>35</sup> "Iran's Nuclear Program," New York Times, June 8, 2011 ([http://topics.nytimes.com/top/news/international/countriesandterritories/iran/nuclear\\_program/index.html?scp=1-spot&sq=iran%20nuclear%20program&st=cse](http://topics.nytimes.com/top/news/international/countriesandterritories/iran/nuclear_program/index.html?scp=1-spot&sq=iran%20nuclear%20program&st=cse)).

<sup>36</sup> "Iran Claims Progress Speeding Nuclear Program" Wall Street Journal, August 4, 2011 ([http://online.wsj.com/article/SB1000142405311903454504576486663881270144.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB1000142405311903454504576486663881270144.html?mod=googlenews_wsj)).

<sup>37</sup> "Iran's Uranium Enrichment Will Increase, It Says," New York Times, June 8, 2011, (<http://www.nytimes.com/2011/06/09/world/middleeast/09iran.html>).

<sup>38</sup> "Iran Claims Progress Speeding Nuclear Program" Wall Street Journal, August 4, 2011 ([http://online.wsj.com/article/SB1000142405311903454504576486663881270144.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB1000142405311903454504576486663881270144.html?mod=googlenews_wsj)).

2. Use of government agencies and state-owned or controlled financial institutions to facilitate WMD proliferation and financing

Iran uses government agencies and state-owned or controlled financial institutions to advance its nuclear and ballistic missile ambitions. Specifically, the government agencies rely on state-owned Iranian financial institutions to help finance illicit procurement activities related to WMD proliferation.

*Government Agencies:* Iran has used the Atomic Energy Organization of Iran ("AEOI"), which was designated by Treasury as the main Iranian organization for research and development activities in the field of nuclear technology, including Iran's uranium enrichment program, to manage the country's overall nuclear program.<sup>39</sup> Additionally, Iran has relied on the Ministry of Defense and Armed Forces Logistics ("MODAF"), which was designated by the State Department under Executive Order ("E.O.") 13382 for proliferation activities.<sup>40</sup> Iran also controls the Defense Industries Organization ("DIO"), which has been designated by the UN<sup>41</sup> and the United States,<sup>42</sup> and the Aerospace Industries Organization ("AIO"), which is identified in the Annex to E.O. 13382 for its role in overseeing Iran's missile industries.<sup>43</sup> AIO, the parent entity to Shahid Hemat Industrial Group (SHIG),<sup>44</sup> which is also listed in the Annex to E.O. 13382, was identified for its ballistic missile research, development, and production activities, in addition to overseeing all of Iran's missile industries.<sup>45</sup>

*State-owned or controlled banks:* Multiple Iranian financial institutions have been directly implicated in facilitating Iran's nuclear and ballistic missile activities. For example, Iranian state-owned Bank Sepah was designated by the Treasury Department under E.O.

13382 and designated in UNSCR 1747 for providing direct and extensive financial services to Iranian entities responsible for developing ballistic missiles, including AIO and SHIG.<sup>46</sup>

Iran's state-owned Bank Melli, which was identified in UNSCR 1803,<sup>47</sup> has also facilitated numerous purchases of sensitive materials for Iran's nuclear and missile programs on behalf of UN-designated entities.<sup>48</sup> Treasury found that Bank Melli has provided a range of financial services to known proliferators, including opening letters of credit and maintaining accounts.<sup>49</sup> Additionally, Treasury found, following the designation of Bank Sepah under UNSCR 1747 for its support for AIO and AIO's subordinates, Bank Melli took precautions not to identify Bank Sepah in transactions.<sup>50</sup> Treasury designated Bank Melli and associated subsidiaries and front companies under E.O. 13382 for its financial support to entities involved in the proliferation of weapons of mass destruction.<sup>51</sup> Multiple jurisdictions also have designated Bank Melli under their respective legal authorities.<sup>52</sup>

Treasury has also designated under E.O. 13382 Bank Mellat, another Iranian state-owned bank, for financially facilitating Iran's nuclear and proliferation activities by supporting AEOI and its main financial conduit,

Novin Energy Company ("Novin").<sup>53</sup> Specifically, the designation noted that as of October 2007, Bank Mellat had facilitated the movement of millions of dollars for Iran's nuclear program since at least 2003.<sup>54</sup> In November 2009, First East Export Bank was designated pursuant to E.O. 13382 as a subsidiary and for its support of Bank Mellat.<sup>55</sup> Furthermore, the international community has raised concerns and taken action against Bank Mellat. In October 2009, the United Kingdom's ("UK") HM Treasury issued an order to all of its financial and credit institutions to cease all business with Bank Mellat, based on its connection to Iran's proliferation activities and for being involved in transactions related to financing Iran's nuclear and ballistic missile program.<sup>56</sup> Noting that Bank Mellat itself has facilitated hundreds of millions of dollars in transactions for Iranian nuclear, missile, and defense entities, UNSCR 1929 designated First East Export Bank, a Bank Mellat subsidiary in Malaysia.<sup>57</sup> Since the adoption of UNSCR 1929, the European Union ("EU"), Japan, South Korea, Australia, Canada, Norway, and Switzerland have implemented measures against Bank Mellat.<sup>58</sup>

In October 2008, Treasury designated the Export Development Bank of Iran

<sup>39</sup> See "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>).

<sup>40</sup> *Id.*

<sup>41</sup> See "Treasury Designates Bank Mellat Subsidiary and Chairman Under Proliferation Authority," U.S. Treasury, November 5, 2009 (<http://www.treasury.gov/press-center/press-releases/Pages/tg355.aspx>).

<sup>42</sup> *Id.*

<sup>43</sup> See UNSCR 1929 (<http://www.un.org/Docs/sc/unscreolutions10.htm>).

<sup>44</sup> See "Council Implementing Regulation (EU) No 668/2010," European Union, July 26, 2010 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:195:0025:0036:EN:PDF>); "Accompanying Measures Pursuant to United Nations Security Council Resolution 1929," Ministry of Foreign Affairs of Japan, September 3, 2010 ([http://www.mofa.go.jp/region/middle\\_e/iran/measures\\_unsc\\_1009.html](http://www.mofa.go.jp/region/middle_e/iran/measures_unsc_1009.html)); "Government Regarding the Implementation of UNSCR 1929," Republic of Korea, September 8, 2010; "Charter of the United Nations (Sanctions—Iran) (Specified Entities) List 2010, Government of Australia, August 4, 2010 (<http://www.comlaw.gov.au/Details/F2010L02236>); Special Economic Measures (Iran) Regulations, Government of Canada, August 4, 2010 (<http://canadagazette.gc.ca/rp-pr/p2/2010/2010-08-04/html/sor-dors165-eng.html>); "Press Release," Government of Norway, Ministry of Foreign Affairs, January 14, 2011 ([http://www.regjeringen.no/mobil/en/dep/ud/press/news/2011/sanctions\\_iran\\_adopted.html?id=630820](http://www.regjeringen.no/mobil/en/dep/ud/press/news/2011/sanctions_iran_adopted.html?id=630820)); "Iran: Federal Council Takes Steps to Improve Legal Certainty and Prevent Possible Evasion," January 19, 2011, The Federal Authorities of the Swiss Federation (<http://www.admin.ch/aktuell/00089/index.html?lang=en&msg-id=37283>).

<sup>45</sup> See "Testimony of Stuart Levey, Under Secretary for Terrorism and Financial Intelligence, Before the Senate Committee on Banking, Housing and Urban Affairs," Treasury Press Release, March 21, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp325.aspx>); and U.S. Treasury, "Iran's Bank Sepah Designated by Treasury Sepah Facilitating Iran's Weapons Program," January 9, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp219.aspx>).

<sup>46</sup> See "Testimony of Stuart Levey, Under Secretary for Terrorism and Financial Intelligence, Before the Senate Committee on Banking, Housing and Urban Affairs," Treasury Press Release, March 21, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp325.aspx>); and U.S. Treasury, "Iran's Bank Sepah Designated by Treasury Sepah Facilitating Iran's Weapons Program," January 9, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp219.aspx>).

<sup>47</sup> See UNSCR 1803. (<http://www.un.org/Docs/sc/unscreolutions08.htm>).

<sup>48</sup> "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treas.gov/press/releases/hp644.htm>).

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> See "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treas.gov/press/releases/hp644.htm>); "Treasury Designates Iran-Controlled Bank for Proliferation Future Bank Controlled by Iran's Bank Melli," U.S. Treasury, March 12, 2008 (<http://www.treasury.gov/press-center/press-releases/Pages/hp869.aspx>); and "Treasury Designates Companies Tied to Iran's Bank Melli as Proliferators," U.S. Treasury, March 3, 2009 (<http://www.treasury.gov/press-center/press-releases/Pages/tg46.aspx>).

<sup>52</sup> See e.g., "Media Release: Australia Imposes New Broad-Ranging Sanctions Against Iran," Australian Minister for Foreign Affairs and Trade, July 29, 2010 (<http://foreignminister.gov.au/releases/2010/fa-s100729.html>).

<sup>39</sup> "Treasury Designates Iranian Nuclear and Missile Entities," August 12, 2008 (<http://www.treasury.gov/press-center/press-releases/Pages/hp1113.aspx>).

<sup>40</sup> "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treas.gov/press/releases/hp644.htm>).

<sup>41</sup> United Nations Security Council Resolution 1737, December 23, 2006 (<http://www.un.org/News/Press/docs/2006/sc8928.doc.htm>).

<sup>42</sup> "Iran's Defense Industries Organization Designated by State," U.S. Department of State, March 30, 2007 (<http://2001-2009.state.gov/r/pa/prs/ps/2007/mar/82487.htm>).

<sup>43</sup> Executive Order 13382 of June 28, 2005. (<http://www.fas.org/irp/offdocs/eo/eo-13382.htm>).

<sup>44</sup> *Id.*

<sup>45</sup> Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treas.gov/press/releases/hp644.htm>).

("EDBI") under E.O. 13382 for providing or attempting to provide financial services to MODAFL.<sup>59</sup> The designation further asserted that EDBI provides financial services to multiple MODAFL-subordinate entities and facilitated the ongoing procurement activities of various front companies associated with MODAFL-subordinate entities.<sup>60</sup> Treasury's designation also noted that, since Bank Sepah's designation by the United States and identification by the UN Security Council, EDBI has served as one of the leading intermediaries handling Bank Sepah's financing, including WMD-related payments, and has facilitated transactions for other sanctioned proliferation-related entities.<sup>61</sup>

As the Iranian banks described above have become increasingly isolated from the international financial system due to international sanctions, other Iranian banks have begun to play a larger role in Iran's illicit activities and efforts to circumvent sanctions.<sup>62</sup> The Treasury Department has continued to target Iranian banks that engage in illicit behavior and act on behalf of U.S.-designated, Iranian-linked banks. Treasury designated Post Bank for operating on behalf of Bank Sepah;<sup>63</sup> the Iranian-owned German bank EIH for providing financial services to Bank Mellat, Persia International Bank, EDBI, and Post Bank;<sup>64</sup> Bank Refah for providing financial services to MODAFL;<sup>65</sup> Bank of Industry and Mine for providing financial services to Bank Mellat and EIH;<sup>66</sup> and Ansar Bank and Mehr Bank for providing financial

services to the IRGC.<sup>67</sup> The EU and other jurisdictions have recognized the risks posed by the vast majority of these financial institutions and have imposed similar measures to prohibit banks in their jurisdictions from doing business with these entities.<sup>68</sup> As recently as May 2011, the EU designated EIH for playing a "key role in assisting a number of Iranian banks with alternative options for completing transactions disrupted by EU sanctions targeting Iran."<sup>69</sup>

### 3. The Iranian Government's Use of Deceptive Financial Practices

Since 1979, Iran long has been subject to a variety of U.S. sanctions that have significantly expanded over time, including prohibition of the importation of Iranian-origin goods and services, prohibitions on certain transactions with respect to the development of Iranian petroleum resources, and prohibitions on exports and re-exports to Iran. Today, most trade-related transactions with Iran are prohibited, and U.S. financial institutions are generally prohibited, with only limited exceptions, from doing business with Iranian financial institutions.<sup>70</sup>

To further amplify financial pressure on Iranian financial institutions involved in Iran's support for terrorism and weapons proliferation, President Obama signed into law the

Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 ("CISADA") on July 1, 2010, which includes a provision that authorizes the Secretary of the Treasury to impose sanctions on foreign financial institutions that knowingly facilitate certain activities related to Iran.<sup>71</sup> On August 16, 2010, Treasury's Office of Foreign Assets Control ("OFAC") published a final rule implementing certain aspects of CISADA,<sup>72</sup> and on October 5, 2011, FinCEN published a final rule to implement section 104(e) of CISADA to complement Treasury's ongoing efforts to protect the international financial system from abuse by Iran.<sup>73</sup>

As a result of the strengthened U.S. sanctions and similar measures taken by the United Nations and other members of the global community, Iran now faces significant barriers to conducting international transactions. In response, Iran has used deceptive financial practices to disguise both the nature of transactions and its involvement in them in an effort to circumvent sanctions. This conduct puts any financial institution involved with Iranian entities at risk of unwittingly facilitating transactions related to terrorism, proliferation, or the evasion of U.S. and multilateral sanctions. Iranian financial institutions, including the Central Bank of Iran ("CBI"), and other state-controlled entities, willingly engage in deceptive practices to disguise illicit conduct, evade international sanctions, and undermine the efforts of responsible regulatory agencies around the world.

*Iranian financial institutions:* Iran employs numerous deceptive practices to disguise the Iranian origin of transactions in order to avoid scrutiny and evade international sanctions. These practices include the transfer of funds from Iran to exchange houses outside Iran and the use of back-to-back letters of credit. Iranian foreign bank branches transfer funds to local banks in the same jurisdiction for onward payments that may conceal the Iranian origin of funds.

In other examples, Bank Sepah has requested that its name be removed from transactions in order to make it

<sup>59</sup> "Export Development Bank of Iran Designated as a Proliferator," U.S. Treasury, October 22, 2008 (<http://www.treasury.gov/press-center/press-releases/Pages/hp1231.aspx>).

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> See "Testimony of Stuart Levey, Under Secretary of Terrorism and Financial Intelligence, before the Senate Foreign Relations Committee," June 22, 2010. (<http://foreign.senate.gov/imo/media/doc/Levey,%20Stuart.pdf>).

<sup>63</sup> See "Fact Sheet: U.S. Treasury Department Targets Iran's Nuclear and Missile Programs," U.S. Treasury, June 16, 2010 (<http://www.treasury.gov/press-center/press-releases/Pages/tg747.aspx>).

<sup>64</sup> See "Treasury Department Targets Iranian-Owned Bank in Germany Facilitating Iran's Proliferation Activities," U.S. Treasury, September 7, 2010 (<http://www.treasury.gov/press-center/press-releases/Pages/tg847.aspx>).

<sup>65</sup> See "Treasury Targets Iranian Bank for Providing Financial Services to Designated Entities Connected to Iran's Proliferation Activities," U.S. Treasury, February 17, 2011 (<http://www.treasury.gov/press-center/press-releases/Pages/tg1067.aspx>).

<sup>66</sup> See "Treasury Designates Iranian State-Owned Bank for Facilitating Iran's Proliferation Activities," U.S. Treasury, May 17, 2011 (<http://www.treasury.gov/press-center/press-releases/Pages/tg1178.aspx>).

<sup>67</sup> See "Fact Sheet: Treasury Designated Iranian Entities Tied to the IRGC and IRISL," U.S. Treasury, December 21, 2010 (<http://www.treasury.gov/press-center/press-releases/Pages/tg1010.aspx>).

<sup>68</sup> See "Council Implementing Regulation (EU) No 668/2010," European Union, July 26, 2010 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:195:0025:0036:EN:PDF>); "Council Implementing Regulation (EU) No. 2011/301/CFSP," European Union, May 23, 2011 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:136:0087:0090:EN:PDF>); "Charter of the United Nations (Sanctions—Iran) (Specified Entities) List 2010, Government of Australia, August 4, 2010 (<http://www.comlaw.gov.au/Details/F2010L02236>).

<sup>69</sup> See "Council Implementing Regulation (EU) No. 2011/299/CFSP," European Union, May 23, 2011 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:136:0087:0090:EN:PDF>).

<sup>70</sup> On November 14, 1979, the President issued E.O. 12170 blocking Iranian government property. See (<http://www.archives.gov/federal-register/codification/executive-order/12170.html>). The Iranian Transactions Regulations ("ITR"), 31 CFR part 560, implement a series of Executive Orders that began with E.O. 12613 issued in 1987, which prohibit the importation of Iranian-origin goods and services. In response to Iran's continued support of international terrorism and active pursuit of weapons of mass destruction, U.S. sanctions have expanded to include E.O. 12957 (March 1997), which imposed prohibition on certain transactions with respect to the development of petroleum resources, and in May 1995, E.O. 12959, which imposed comprehensive trade and financial sanctions on Iran. In August 1997, E.O. 13059 was issued consolidating and clarifying the previous orders. See (<http://treasury.gov/resource-center/sanctions/Programs/Documents/iran.pdf>).

<sup>71</sup> For a full discussion of CISADA and its provisions, See the U.S. Department of the Treasury Web site (<http://www.treasury.gov/resource-center/sanctions/Documents/hr2194.pdf>).

<sup>72</sup> See OFAC CISADA regulations at 75 FR 49836 (August 16, 2010) or 31 CFR part 561 (<http://edocket.access.gpo.gov/2010/pdf/2010-20238.pdf>).

<sup>73</sup> See Fact Sheet "FinCEN Implements Provision of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010," October 5, 2011 ([http://www.fincen.gov/news\\_room/nr/html/20111005.html](http://www.fincen.gov/news_room/nr/html/20111005.html)).

more difficult for intermediary financial institutions to determine the true parties to a transaction.<sup>74</sup> As noted in Treasury's designation, Bank Melli took precautions not to identify Bank Sepah in transactions following Bank Sepah's designation under UNSCR 1747 and employed similar deceptive banking practices to obscure its involvement from non-Iranian financial institutions when handling financial transactions on behalf of the IRGC.<sup>75</sup>

In June 2010, Post Bank of Iran was designated by the Treasury Department under E.O. 13382<sup>76</sup> for facilitating transactions on behalf of Bank Sepah after Bank Sepah was designated by the UN and United States.<sup>77</sup> The designation further notes that, in 2009, Post Bank facilitated business on behalf of Bank Sepah between Iran's defense industries and overseas beneficiaries and transacted millions of dollars worth of business between U.S.-designated Hong Kong Electronics and other overseas beneficiaries.<sup>78</sup>

The Central Bank of Iran, which regulates Iranian banks, has assisted designated Iranian banks by transferring billions of dollars to these banks in 2011. In mid-2011, the CBI transferred several billion dollars to designated banks, including Saderat, Mellat, EDBI and Melli, through a variety of payment schemes. In making these transfers, the CBI attempted to evade sanctions by minimizing the direct involvement of large international banks with both CBI and designated Iranian banks. Additionally, the CBI transfers funds to designated Iranian bank branches outside Iran via non-Iranian foreign banks, often involving deliberate attempts on its part to conceal that the recipient is a designated Iranian bank. In some cases, this activity involves book-to-book transfers and the use of accounts at intermediary banks that hold accounts for the CBI and designated banks. Further, the CBI was believed to have provided financing to the UN-sanctioned Khatam al-Anbiya Constructions Headquarters for defense-related projects.

<sup>74</sup> "Testimony of Stuart Levey, Under Secretary for Terrorism and Financial Intelligence, Before the Senate Committee on Banking, Housing and Urban Affairs," March 21, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp325.aspx>).

<sup>75</sup> "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>).

<sup>76</sup> "Fact Sheet: U.S. Treasury Department Targets Iran's Nuclear and Missile Programs," U.S. Treasury, June 16, 2010 (<http://www.treasury.gov/press-center/press-releases/Pages/tg747.aspx>).

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

*Front companies:* Iran has a well-established history of using front companies and complex corporate ownership structures to disguise the involvement of government entities known to be involved in Iranian proliferation activity when conducting commercial transactions. These companies transact substantial business in Iran and elsewhere around the world. For example, Novin, an AEOI front company that operates as the financial arm of AEOI, has transferred millions of dollars on behalf of AEOI to entities associated with Iran's nuclear program.<sup>79</sup> Additionally, Mesbah Energy Company ("Mesbah"), was designated under EO 13382 for being controlled by, or acting or purporting to act for or on behalf of AEOI, and was cited in UNSCR 1737.<sup>80</sup> Mesbah has been used to procure products for Iran's heavy water project.<sup>81</sup> Heavy water is essential for Iran's heavy-water-moderated reactor, which will provide Iran with a potential source of plutonium that could be used for nuclear weapons.<sup>82</sup>

In some cases, the connection to Iran is not readily apparent, as Iranian entities have formed front companies outside of Iran in an attempt to obtain dual-use items for Iran that could be used in Iran's nuclear or missile programs and that otherwise could not legally be exported directly to Iran.<sup>83</sup> For example, Iranian companies and their fronts have also falsified end-user information on export forms to allow prohibited items to be exported into the country.<sup>84</sup> Iran has colluded with some exporters to enter fictitious end-user names in the importer section of export forms in order to evade international and national controls on shipments to

<sup>79</sup> See UNSCR 1747 ([http://www.un.org/Docs/sc/unsr\\_resolutions07.htm](http://www.un.org/Docs/sc/unsr_resolutions07.htm)); and "Treasury Employs Financial Sanctions Against WMD Proliferation Supporters in Iran," U.S. Treasury, January 4, 2006 (<http://www.treasury.gov/press-center/press-releases/Pages/js3069.aspx>).

<sup>80</sup> See UNSCR 1737 ([http://www.un.org/Docs/sc/unsr\\_resolutions06.htm](http://www.un.org/Docs/sc/unsr_resolutions06.htm)) and "Treasury Employs Financial Sanctions Against WMD Proliferation Supporters in Iran," U.S. Treasury, January 4, 2006 (<http://www.treasury.gov/press-center/press-releases/Pages/js3069.aspx>).

<sup>81</sup> "Testimony of Robert W. Werner, Director Office of Foreign Assets Control," U.S. Treasury, February 16, 2006 (<http://www.treasury.gov/press-center/press-releases/Pages/js4053.aspx>).

<sup>82</sup> *Id.*

<sup>83</sup> "Testimony of Stuart Levey, Under Secretary for Terrorism and Financial Intelligence, Before the Senate Committee on Banking, Housing and Urban Affairs," March 21, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp325.aspx>).

<sup>84</sup> "German Report Details Smuggling of Nuclear Bomb, Missile Components to Iran," Hamburg Stem, July 16, 2009.

Iran.<sup>85</sup> For example, in May 2010, Balli Aviation Ltd., a UK subsidiary of Balli Group PLC, pled guilty in the U.S. District Court for the District of Columbia to exporting three Boeing 747 aircraft to Iran without obtaining the proper authorization from the United States.<sup>86</sup>

Iranian commercial entities deploy the above mentioned practices specifically to evade those controls put in place by the United States, international community, and responsible financial institutions, controls that are designed to enforce international sanctions, prevent the proliferation of nuclear weapons and their delivery systems, and protect the international financial sector from abuse by illicit actors. These practices by Iranian entities have allowed Iran to engage in illicit activities and operate undetected in the international economy.<sup>87</sup>

*The IRGC:* The IRGC, which was designated by the Department of State as a primary proliferator under E.O. 13382 in October 2007,<sup>88</sup> owns and/or controls multiple commercial entities across a wide range of sectors within the Iranian economy. For example, the IRGC established Khatam al-Anbiya,<sup>89</sup> the largest major Iranian construction conglomerate, to generate income and fund IRGC operations while presenting the company as a legitimate company

<sup>85</sup> "Kyodo: Mitutoyo Falsifies Iranian Recipient's Name to Get Export Permission," Tokyo Kyodo World Service, August 26, 2006 (<http://www.freerepublic.com/focus/f-news/1690388/posts>).

<sup>86</sup> See "U.K. Firm Fined \$2 Million After Pleading Guilty to Illegally Exporting Boeing 747 Aircraft to Iran," U.S. Department of Justice, May 11, 2010 (<http://www.justice.gov/opa/pr/2010/May/10-nsd-551.html>).

<sup>87</sup> "Testimony of Stuart Levey, Under Secretary for Terrorism and Financial Intelligence, Before the Senate Committee on Banking, Housing and Urban Affairs," March 21, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp325.aspx>).

<sup>88</sup> See "Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism," U.S. Treasury, October 25, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>).

<sup>89</sup> In October 2007, the Treasury Department designated nine IRGC-affiliated companies and five IRGC-affiliated individuals for proliferation activity under E.O. 13382 as derivatives of the IRGC, including Khatam al-Anbiya Construction Headquarters, which secured deals worth at least \$7 billion in the oil, gas and transportation sectors, among others, in 2006. See *Id.* The European Union also designated Khatam al-Anbiya for supporting the Iranian ballistic missile and nuclear programs. See "European Council Common Position 2008/479/CFSP," Official Journal of the European Union, June 23, 2008 (<http://eur-lex.europa.eu/LexUriServ.do?uri=OJ:L:2008:163:0043:0049:en:PDF>).

working on civilian projects.<sup>90</sup> Khatam al-Anbiya was designated by Treasury in 2007 pursuant to E.O. 13382.<sup>91</sup> U.S.-designated, Iranian-linked financial institutions have served as an important lifeline for Khatam al-Anbiya. The U.S. and EU-designated Iranian banks Mellis, Mellat, and state-owned Iranian Bank Tejarat have provided financial support to Khatam al-Anbiya-related business before and after the UN designation of Khatam al-Anbiya and fourteen of its subsidiaries.

The IRGC has continued to expand its control over commercial enterprises within Iran. For example, Tidewater Middle East Company (“Tidewater”), a port operating company, was designated by Treasury under E.O. 13382 in June 2011 as a company that is owned by the IRGC. Tidewater has operations at seven Iranian ports,<sup>92</sup> some of which the Iranian government has repeatedly used to export arms or related material in violation of UNSCRs.<sup>93</sup> Treasury also designated Iran Air under E.O. 13382 for providing material support to the IRGC and MODAFL, both of which used the commercial airline carrier to transport military-related equipment on passenger aircraft.<sup>94</sup> Similarly, as noted in Treasury’s designation of the leadership within the IRGC—Qods Force (“IRGC—QF”), the IRGC and the IRGC—QF engage in seemingly legitimate activities that provide cover for intelligence operations and support terrorist groups such as Hizballah, Hamas and the Taliban.<sup>95</sup>

*Islamic Republic of Iran Shipping Lines (“IRISL”):* Treasury designated IRISL, Iran’s national maritime carrier, and affiliated entities pursuant to E.O. 13382 for providing logistical services to MODAFL.<sup>96</sup> The concern over IRISL’s role in Iran’s illicit activities has grown significantly within the international community. In October 2009, the UK

and Bermuda also designated IRISL.<sup>97</sup> Three IRISL-related entities, Irano Hind Shipping Company, IRISL Benelux NV, and South Shipping Line Iran (SSL), were sanctioned by the UN in June 2010.<sup>98</sup> Subsequently, the EU, Australia, Canada, Japan, Norway, South Korea, and Switzerland adopted measures against IRISL.<sup>99</sup> Additionally, as IRISL became increasingly unable to maintain adequate hull and protection-and-indemnity (P&I) insurance because of international sanctions, IRISL was forced to turn to Tehran-based Moallem Insurance Company, which was not in the business of providing maritime insurance. Treasury designated Moallem in December 2010 for providing marine insurance to IRISL vessels.<sup>100</sup>

Iran’s main shipping line has long relied upon deceptive techniques to conceal its behavior and to avoid international and U.S. sanctions.<sup>101</sup>

<sup>97</sup> See “The Financial Restrictions (Iran) Order 2009,” HM Treasury, October 12, 2009 ([http://www.hm-treasury.gov.uk/d/fin\\_crime\\_iran\\_order.pdf](http://www.hm-treasury.gov.uk/d/fin_crime_iran_order.pdf)) and “Anti-Terrorism (Financial Restrictions Iran) Order 2010,” The Minister of Justice, January 15, 2010 ([http://www.bermudalaws.bm/Laws/Consolidated%20Laws/Anti-Terrorism%20\(Financial%20Restrictions%20Iran\)%20Order%202010.pdf](http://www.bermudalaws.bm/Laws/Consolidated%20Laws/Anti-Terrorism%20(Financial%20Restrictions%20Iran)%20Order%202010.pdf)).

<sup>98</sup> See UN Security Resolution 1929 (<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N10/396/79/PDF/N1039679.pdf?OpenElement>).

<sup>99</sup> See “Council Implementing Regulation (EU) No 668/2010,” European Union, July 26, 2010 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:195:0025:0036:EN:PDF>); “Accompanying Measures Pursuant to United Nations Security Council Resolution 1929,” Ministry of Foreign Affairs of Japan, September 3, 2010 ([http://www.mofa.go.jp/region/middle\\_e/iran/measures\\_ UNSC\\_1009.html](http://www.mofa.go.jp/region/middle_e/iran/measures_ UNSC_1009.html)); “Government Regarding the Implementation of UNSCR 1929,” Republic of Korea, September 8, 2010; “Charter of the United Nations (Sanctions—Iran) (Specified Entities) List 2010, Government of Australia, August 4, 2010 (<http://www.comlaw.gov.au/Details/F2010L02236>); Special Economic Measures (Iran) Regulations, Government of Canada, August 4, 2010 (<http://canadagazette.gc.ca/rp-pr/p2/2010/2010-08-04/html/sor-dors165-eng.html>); “Press Release,” Government of Norway, Ministry of Foreign Affairs, January 14, 2011 ([http://www.regjeringen.no/mobil/en/dep/ud/press/news/2011/sanctions\\_iran\\_adopted.html?id=630820](http://www.regjeringen.no/mobil/en/dep/ud/press/news/2011/sanctions_iran_adopted.html?id=630820)); “Iran: Federal Council Takes Steps to Improve Legal Certainty and Prevent Possible Evasion,” January 19, 2011, The Federal Authorities of the Swiss Federation (<http://www.admin.ch/aktuell/00089/index.html?lang=en&msg-id=37283>).

<sup>100</sup> See “Fact Sheet: Treasury Designates Iranian Entities Tied to the IRGC and IRISL,” December 21, 2010. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1010.aspx>).

<sup>101</sup> For example, on June 20, 2011, the District Attorney of New York announced a 317-count indictment of eleven corporations and five individuals for their roles in a conspiracy involving IRISL, its regional offices, and its agents. The indictment alleged that the defendants evaded U.S. economic sanctions tied to bans on trade with countries that harbor foreign terrorist and proliferators of weapons of mass destruction. In doing so, the defendants repeatedly falsified the records of banks located in New York County to access illegally the U.S. financial system. The

IRISL is increasingly employing deceptive practices to disguise its involvement in shipping operations and the designation of its cargo. Since being subjected to U.S. and international sanctions, IRISL has renamed as many as 80 of the ships in its fleet and changed ownership information and flag registries to evade sanctions.<sup>102</sup> IRISL also has renamed its offices in China, Singapore, Germany, and South Korea, has tried to mask its operations in the UAE by using a network of front companies,<sup>103</sup> and has moved its container operations to a subsidiary, HDS Lines.<sup>104</sup> Moreover, IRISL has also since stopped referring to HDS Lines in bills of lading from its shipping agent.<sup>105</sup>

These deceptive practices are designed to avoid scrutiny in financial transactions. As the U.S. and other jurisdictions have prohibited financial institutions from processing transactions involving sanctioned entities, IRISL’s deceptive practices seek to disguise IRISL’s involvement in order to permit the financial transaction. In an advisory to U.S. financial institutions, FinCEN noted IRISL’s efforts to rename vessels and adjust information associated with financial transactions and suggested that the International Maritime Organization (“IMO”) registration number, which is a unique identifier assigned to each vessel, could provide a useful indication of whether an IRISL vessel is involved in a transaction.<sup>106</sup> In addition, OFAC issued an advisory to alert shippers, importers, exporters, and freight forwarders of IRISL’s efforts to hide its involvement in transactions by using container prefixes registered to another carrier, omitting or listing invalid, incomplete or false container prefixes in shipping container numbers, and naming non-existent ocean vessels in shipping documents.<sup>107</sup>

defendants deceived Manhattan banks into processing more than \$60 million worth of payments using aliases or corporate alter egos to hide their conduct. See “Iranian Company Charged With Tricking U.S. Banks,” *New York Times*, June 20, 2011 (<http://www.nytimes.com/2011/06/20/nyregion/iranian-shipper-accused-of-sneaking-money-through-ny-banks.html>).

<sup>102</sup> “Iran Shipper Evades US Blacklist,” *Wall Street Journal*, April 10, 2010.

<sup>103</sup> See (<http://www.treasury.gov/press-center/press-releases/Pages/tg1212.aspx>).

<sup>104</sup> “U.S. Keeps Watch on Iranian Shipping,” *Wall Street Journal*, May 28, 2010.

<sup>105</sup> *Id.*

<sup>106</sup> See “Update on the Continuing Illicit Finance Threat Emanating from Iran,” FIN-2010-A008, June 22, 2010 ([http://www.fincen.gov/statutes\\_regs/guidance/html/fin-2010-a008.html](http://www.fincen.gov/statutes_regs/guidance/html/fin-2010-a008.html)).

<sup>107</sup> See OFAC Nonproliferation and Weapons of Mass Destruction Advisory, “Presentation of Fraudulent Shipping Documents,” March 31, 2011. (<http://www.treasury.gov/resource-center/>

<sup>90</sup> “Ex-Iranian Official Tells UK Daily About Likely IRGC Earnings, Activities,” *The Financial Times*, March 16, 2007.

<sup>91</sup> “Fact Sheet: Designation of Iranian Entities and Individuals for Proliferation Activities and Support for Terrorism,” U.S. Treasury, October 25, 2007 (<http://www.treasury.gov/press-center/press-releases/Pages/hp644.aspx>).

<sup>92</sup> See U.S. Treasury “Fact Sheet: Treasury Sanctions Major Iranian Commercial Entities,” June 23, 2011. (<http://www.treasury.gov/press-center/press-releases/Pages/tg1217.aspx>).

<sup>93</sup> *Id.*

<sup>94</sup> *Id.*

<sup>95</sup> “Fact Sheet: U.S. Treasury Department Targets Iran’s Support for Terrorism,” U.S. Treasury Department, August 3, 2010 (<http://www.treasury.gov/press-center/press-releases/Pages/tg810.aspx>).

<sup>96</sup> “Major Iranian Shipping Company Designated for Proliferation Activity,” U.S. Treasury, September 10, 2008 (<http://www.treasury.gov/press-center/press-releases/Pages/tg1067.aspx>).

*B. The Substance and Quality of Administration of the Bank Supervisory and Counter-Money Laundering Laws of That Jurisdiction*

Iran's serious deficiencies with respect to anti-money laundering/countering the financing of terrorism ("AML/CFT") controls has long been highlighted by numerous international bodies and government agencies. Starting in October 2007, the FATF has issued a series of public statements expressing its concern that Iran's lack of a comprehensive AML/CFT regime represents a significant vulnerability within the international financial system. The statements further called upon Iran to address those deficiencies with urgency, and called upon FATF-member countries to advise their institutions to conduct enhanced due diligence with respect to the risks associated with Iran's deficiencies.<sup>108</sup>

The FATF has been particularly concerned with Iran's failure to address the risk of terrorist financing, and starting in February 2009, the FATF called upon its members and urged all jurisdictions to apply effective countermeasures to protect their financial sectors from the terrorist financing risks emanating from Iran.<sup>109</sup> In addition, the FATF advised jurisdictions to protect correspondent relationships from being used to bypass or evade countermeasures and risk mitigation practices, and to take into account money laundering and financing of terrorism risks when considering requests by Iranian financial institutions to open

*sanctions/Programs/Documents/20110331\_advisory.pdf*.

<sup>108</sup> In response to concerns raised by these FATF and IMF reports, FinCEN issued an advisory on October 16, 2007 to financial institutions regarding the heightened risk of Iranian "money laundering, terrorist financing, and weapons of mass destruction proliferation financing." The advisory further cautioned institutions that there may be an increased effort by Iranian entities to circumvent international sanctions and related financial community scrutiny through the use of deceptive practices. See "Guidance to Financial Institutions on the Increasing Money Laundering Threat Involving Illicit Iranian Activity," FinCEN, October 16, 2007 ([http://www.fincen.gov/statutes\\_regs/guidance/pdf/guidance\\_fi\\_increasing\\_mlt\\_iranian.pdf](http://www.fincen.gov/statutes_regs/guidance/pdf/guidance_fi_increasing_mlt_iranian.pdf)). The FATF simultaneously published guidance to assist countries with implementation of UNSCRs 1737 and 1747. See "Guidance Regarding the Implementation of Activity-Based Financial Prohibitions of United Nations Security Council Resolution 1737," October 12, 2007 (<http://www.fatf-gafi.org/dataoecd/43/17/39494050.pdf>) and "Guidance Regarding the Implementation of Financial Provisions of the United Nations Security Council Resolutions to Counter the Proliferation of Weapons of Mass Destruction," September 5, 2007 (<http://www.fatf-gafi.org/dataoecd/23/16/39318680.pdf>).

<sup>109</sup> See "FATF Statement on Iran," The Financial Action Task Force, February 25, 2009 (<http://www.fatf-gafi.org/dataoecd/18/28/42242615.pdf>).

branches and subsidiaries in their jurisdictions.<sup>110</sup> The FATF also called on its members and other jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions.<sup>111</sup> Over the past three years, the FATF has repeatedly reiterated these concerns and reaffirmed its call for FATF-member countries and all jurisdictions to implement countermeasures to protect the international financial system from the terrorist financing risk emanating from Iran. In response, numerous countries, including all G7 countries, have issued advisories to their financial institutions.<sup>112</sup>

The FATF's most recent statement in October 2011 reiterated, with a renewed urgency, its concern regarding Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity to the international financial system.<sup>113</sup> The FATF reaffirmed its February 2009 call to apply effective countermeasures to protect their financial sectors from ML/FT risks emanating from Iran, and further called upon its members to consider the steps already taken and possible additional safeguards or strengthen existing ones.<sup>114</sup> In addition, the FATF stated that, if Iran fails to take concrete steps to improve its AML/CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen countermeasures in February 2012.<sup>115</sup> The numerous calls by FATF for Iran to urgently address its terrorist financing vulnerability, coupled with the extensive record of Iranian entities using the financial system to finance terrorism, proliferation activities, and

<sup>110</sup> *Id.*

<sup>111</sup> *Id.*

<sup>112</sup> See "Circular 13/2008 (GW)—Statement of the FATF of 16 October 2008," November 7, 2008 ([http://www.bafin.de/clin\\_171/nn\\_721228/SharedDocs/Veroeffentlichungen/EN/Service/Circulars/rs\\_0813\\_gw.html?\\_nnn=true](http://www.bafin.de/clin_171/nn_721228/SharedDocs/Veroeffentlichungen/EN/Service/Circulars/rs_0813_gw.html?_nnn=true)); "February 27, 2009 FINTRAC Advisory," February 27, 2009 (<http://www.fintrac-canafe.gc.ca/publications/avs/2009-02-27-eng.asp>); "HM Treasury warns businesses of serious threats posed to the international financial system," March 11, 2009 ([http://www.hm-treasury.gov.uk/press\\_26\\_09.htm](http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/press_26_09.htm)); "Letter from French Minister of Economy," ([http://www2.economie.gouv.fr/directions\\_services/dgtpel/sanctions/sanctionsiran.php](http://www2.economie.gouv.fr/directions_services/dgtpel/sanctions/sanctionsiran.php)); and "Bank of Italy Circular," ([http://www.dt.tesoro.it/previsione\\_reati\\_finanziari/](http://www.dt.tesoro.it/previsione_reati_finanziari/)).

<sup>113</sup> See "FATF Public Statement," The Financial Action Task Force, October 28, 2011 ([http://www.fatf-gafi.org/document/55/0,3746,en\\_32250379\\_32236992\\_48966519\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/55/0,3746,en_32250379_32236992_48966519_1_1_1_1,00.html)).

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

other illicit activity,<sup>116</sup> raises significant concern over the willingness or ability of Iran to establish adequate controls to counter terrorist financing.

*C. Whether the United States Has a Mutual Legal Assistance Treaty With That Jurisdiction, and the Experience of U.S. Law Enforcement Officials and Regulatory Officials in Obtaining Information About Transactions Originating in or Routed Through or to Such Jurisdiction*

Iran has not entered into any mutual legal assistance treaties. Additionally, U.S. law enforcement and regulatory officials have found Iran to be uncooperative regarding access to information about financial transactions. Accordingly, Iran remains a safe haven for those who would commit financial crimes against the United States.

### III. Finding

Based on the foregoing factors, the Director of FinCEN hereby finds that the Islamic Republic of Iran is a jurisdiction of primary money laundering concern.

Dated: November 18, 2011

**James H. Freis, Jr.,**

*Director, Financial Crimes Enforcement Network.*

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**BILLING CODE 4810-02-P**

## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

#### Proposed Information Collection; Comment Request

**AGENCY:** Office of the Comptroller of the Currency (OCC), Treasury.

**ACTION:** Notice and request for comment.

**SUMMARY:** The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995. Currently, the OCC is soliciting comment concerning its extension, without change, of an information collection titled, "Release of Non-Public Information—12 CFR 4, Subpart C."

**DATES:** You should submit written comments by January 24, 2012.

<sup>116</sup> "Update on the Continuing Illicit Finance Threat Emanating From Iran," FinCEN, June 22, 2010 ([http://www.fincen.gov/statutes\\_regs/guidance/html/fin-2010-a008.html](http://www.fincen.gov/statutes_regs/guidance/html/fin-2010-a008.html)).

individual also holds an interest in the partnership that is not an interest in a limited partnership as a limited partner (as defined in paragraph (e)(3)(i) of this section), such as a state-law general partnership interest, at all times during the entity's taxable year ending with or within the individual's taxable year (or the portion of the entity's taxable year during which the individual (directly or indirectly) owns such interest in a limited partnership as a limited partner).

(4) *Effective/applicability date.* This section applies to taxable years beginning on or after the date of publication of the Treasury decision adopting these rules as a final regulation in the Federal Register.

\* \* \* \* \*

Par. 4. Section 1.469-5T paragraph (e) is revised to read as follows:

**§ 1.469-5T Material participation (temporary).**

\* \* \* \* \*

(e) *Treatment of Limited Partners.* [Reserved]. See § 1.469-5(e) for rules relating to this paragraph (e).

\* \* \* \* \*

Par. 5. Section 1.469-9 paragraph (f)(1) is revised to read as follows:

**§ 1.469-9 Rules for certain rental real estate activities.**

\* \* \* \* \*

(f) *Limited partnership interests in rental real estate activities—(1) In general.* If a taxpayer elects under paragraph (g) of this section to treat all interests in rental real estate as a single rental real estate activity, and at least one interest in rental real estate is held by the taxpayer as an interest in a limited partnership as a limited partner (within the meaning of § 1.469-5(e)(3)), the combined rental real estate activity of the taxpayer will be treated as an interest in a limited partnership as a limited partner for purposes of determining material participation. Accordingly, the taxpayer will not be treated under this section as materially participating in the combined rental real estate activity unless the taxpayer materially participates in the activity under the tests listed in § 1.469-5(e)(2) (dealing with the tests for determining the material participation of a limited partner).

\* \* \* \* \*

Steven T. Miller,  
Deputy Commissioner for Services and Enforcement.

[FR Doc. 2011-30611 Filed 11-25-11; 8:45 am]

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DEPARTMENT OF THE TREASURY

31 CFR Chapter X

RIN 1506-AB16

**Financial Crimes Enforcement Network; Amendment to the Bank Secrecy Act Regulations—Imposition of Special Measure Against the Islamic Republic of Iran as a Jurisdiction of Primary Money Laundering Concern**

**AGENCY:** Financial Crimes Enforcement Network, Treasury ("FinCEN"), Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** In a notice of finding published elsewhere in this issue of the Federal Register, the Secretary of the Treasury, through his delegate, the Director of FinCEN, found that reasonable grounds exist for concluding that the Islamic Republic of Iran ("Iran") is a jurisdiction of primary money laundering concern pursuant to 31 U.S.C. 5318A. FinCEN is issuing this notice of proposed rulemaking to impose a special measure against Iran.

**DATES:** Written comments on the notice of proposed rulemaking must be submitted on or before January 27, 2012.

**ADDRESSES:** You may submit comments, identified by RIN 1506-AB16, by any of the following methods:

• *Federal E-rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments. Include 1506-AB16 in the submission. Refer to Docket Number FINCEN-2011-0008.

• *Mail:* The Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Include RIN 1506-AB16 in the body of the text. Please submit comments by one method only. Comments submitted in response to this NPRM will become a matter of public record. Therefore, you should submit only information that you wish to make publicly available.

*Inspection of comments:* Public comments received electronically or through the U. S. Postal Service sent in response to a notice and request for comment will be made available for public review as soon as possible on <http://www.regulations.gov>. Comments received may be physically inspected in the FinCEN reading room located in Vienna, Virginia. Reading room appointments are available weekdays (excluding holidays) between 10 a.m. and 3 p.m., by calling the Disclosure Officer at (703) 905-5034 (not a toll-free call).

**FOR FURTHER INFORMATION CONTACT:** The FinCEN regulatory helpline at (800) 949-2732 and select Option 6.

SUPPLEMENTARY INFORMATION:

I. Background

A. *Statutory Provisions*

On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), Public Law 107-56. Title III of the USA PATRIOT Act amends the anti-money laundering provisions of the Bank Secrecy Act ("BSA"), codified at 12 U.S.C. 1829b and 1951-1959, and 31 U.S.C. 5311-5314, and 5316-5332, to promote the prevention, detection, and prosecution of international money laundering and the financing of terrorism. Regulations implementing the BSA appear at 31 CFR Chapter X. The authority of the Secretary of the Treasury (the "Secretary") to administer the BSA and its implementing regulations has been delegated to the Director of FinCEN.<sup>1</sup>

Section 311 of the USA PATRIOT Act ("section 311") added section 5318A to the BSA, granting the Secretary the authority, upon finding that reasonable grounds exist for concluding that a foreign jurisdiction, institution, class of transaction, or type of account is of "primary money laundering concern," to require domestic financial institutions and financial agencies to take certain "special measures" against the primary money laundering concern. Section 311 identifies factors for the Secretary to consider and Federal agencies to consult before the Secretary may conclude that a jurisdiction, institution, class of transaction, or type of account is of primary money laundering concern. The statute also provides similar procedures, *i.e.*, factors and consultation requirements, for selecting the specific special measures to be imposed against the primary money laundering concern.

Taken as a whole, section 311 provides the Secretary with a range of options that can be adapted to target specific money laundering and terrorist financing concerns most effectively. These options give the Secretary the authority to bring additional pressure on those jurisdictions and institutions that pose money laundering threats. Through the imposition of various special measures, the Secretary can gain more information about the jurisdictions, institutions, transactions, or accounts of concern; can more effectively monitor the respective jurisdictions, institutions,

<sup>1</sup> Therefore, references to the authority of the Secretary of the Treasury under section 311 of the USA PATRIOT Act apply equally to the Director of FinCEN.

transactions, or accounts; or can protect U.S. financial institutions from involvement with jurisdictions, institutions, transactions, or accounts that are of money laundering concern.

Before making a finding that reasonable grounds exist for concluding that a jurisdiction is of primary money laundering concern, the Secretary is required to consult with both the Secretary of State and the Attorney General. The Secretary is also required by section 311, as amended,<sup>2</sup> to consider "such information as the Secretary determines to be relevant, including the following potentially relevant factors," which extend the Secretary's consideration beyond traditional money laundering concerns to issues involving, inter alia, terrorist financing and weapons proliferation:

- Evidence that organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction or missiles, have transacted business in that jurisdiction;
- The extent to which that jurisdiction or financial institutions operating in that jurisdiction offer bank secrecy or special regulatory advantages to nonresidents or nondomiciliaries of that jurisdiction;
- The substance and quality of administration of the bank supervisory and counter-money laundering laws of that jurisdiction;
- The relationship between the volume of financial transactions occurring in that jurisdiction and the size of the economy of the jurisdiction;
- The extent to which that jurisdiction is characterized as an offshore banking or secrecy haven by credible international organizations or multilateral expert groups;
- Whether the United States has a mutual legal assistance treaty with that jurisdiction, and the experience of United States law enforcement officials and regulatory officials in obtaining information about transactions originating in or routed through or to such jurisdiction; and
- The extent to which that jurisdiction is characterized by high levels of official or institutional corruption.

If the Secretary determines that reasonable grounds exist for concluding that a jurisdiction is of primary money laundering concern, the Secretary must determine the appropriate special measure(s) to address the specific money laundering risks. Section 311

<sup>2</sup> 31 U.S.C. 5318A was amended by section 501 of the Iran Freedom Support Act of 2006, Public Law 109-293.

provides a range of special measures that can be imposed individually, jointly, in any combination, and in any sequence.<sup>3</sup> The Secretary's imposition of special measures requires additional consultations to be made and factors to be considered. The statute requires the Secretary to consult with appropriate federal agencies and other interested parties<sup>4</sup> and to consider the following specific factors:

- Whether similar action has been or is being taken by other nations or multilateral groups;
- Whether the imposition of any particular special measures would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;
- The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction; and
- The effect of the action on United States national security and foreign policy.

#### B. Finding

Today, as detailed elsewhere in this part,<sup>5</sup> based upon a review and analysis of the administrative record in this matter, consultations with relevant Federal agencies and departments, and after consideration of the factors enumerated in section 311, the Director of FinCEN has determined that reasonable grounds exist for concluding that the Islamic Republic of Iran is a

<sup>3</sup> Available special measures include requiring: (1) Recordkeeping and reporting of certain financial transactions; (2) collection of information relating to beneficial ownership; (3) collection of information relating to certain payable-through accounts; (4) collection of information relating to certain correspondent accounts; and (5) prohibition or conditions on the opening or maintaining of correspondent or payable through accounts. 31 U.S.C. 5318A(b)(1)-(5). For a complete discussion of the range of possible countermeasures, see 68 FR 18917 (April 17, 2003) (proposing special measures against Nauru).

<sup>4</sup> Section 5318A(a)(4)(A) requires the Secretary to consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency, the Secretary of State, the Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission (CFTC), the National Credit Union Administration (NCUA), and, in the sole discretion of the Secretary, "such other agencies and interested parties as the Secretary may find to be appropriate." The consultation process must also include the Attorney General, if the Secretary is considering prohibiting or imposing conditions on domestic financial institutions opening or maintaining correspondent account relationships with the designated jurisdiction.

<sup>5</sup> See the notice of this finding published elsewhere today in the **Federal Register**.

jurisdiction of primary money laundering concern.<sup>6</sup>

## II. Imposition of Special Measure Against the Islamic Republic of Iran as a Jurisdiction of Primary Money Laundering Concern, Including the Central Bank of Iran Within the Definition of Iranian Banking Institution

As a result of that finding, and based upon the additional consultations and the consideration of all relevant factors discussed in the finding and in this notice of proposed rulemaking, the Director of FinCEN has determined that reasonable grounds exist for the imposition of the fifth special measure authorized by section 5318A(b)(5).<sup>7</sup> That special measure authorizes a prohibition against the opening or maintaining of correspondent accounts<sup>8</sup> by any domestic financial institution or agency for or on behalf of a foreign banking institution, if the correspondent account involves the targeted jurisdiction. A discussion of the section 311 factors relevant to imposing this particular special measure follows.

### 1. *Whether Similar Actions Have Been or Will Be Taken by Other Nations or Multilateral Groups Against Iran*

The United Nations Security Council has adopted multiple resolutions imposing sanctions on Iran for its refusal to comply with international nuclear obligations and proliferation sensitive activities, including United Nations Security Council resolutions ("UNSCRs") 1696,<sup>9</sup> 1737,<sup>10</sup> 1747,<sup>11</sup>

<sup>6</sup> Classified information used in support of a section 311 finding and measure(s) may be submitted by Treasury to a reviewing court *ex parte* and *in camera*. See section 376 of the Intelligence Authorization Act for fiscal year 2004, Public Law 108-177 (amending 31 U.S.C. 5318A by adding new paragraph (f)).

<sup>7</sup> In connection with this action, FinCEN consulted with staffs of the Federal functional regulators, the Department of Justice, and the Department of State.

<sup>8</sup> For purposes of the proposed rule, a correspondent account is defined as an account established to receive deposits from, or make payments or other disbursements on behalf of, a foreign bank, or handle other financial transactions related to the foreign bank.

<sup>9</sup> For a complete discussion of the sanctions adopted by UNSCR 1696, see "Resolution 1696," United Nations Security Council, July 31, 2006 (<http://www.un.org/Docs/sc/unscreolutions06.htm>).

<sup>10</sup> For a complete discussion of the sanctions adopted by UNSCR 1737, see "Resolution 1737," United Nations Security Council, December 23, 2006 (<http://www.un.org/Docs/sc/unscreolutions06.htm>).

<sup>11</sup> For a complete discussion of the sanctions adopted by UNSCR 1747, see "Resolution 1747," United Nations Security Council, March 24, 2007 (<http://www.un.org/Docs/sc/unscreolutions07.htm>).

1803,<sup>12</sup> and 1929.<sup>13</sup> All resolutions were reaffirmed in 2008, 2009, and 2010 through UNSCRs 1835,<sup>14</sup> 1887,<sup>15</sup> and 1929,<sup>16</sup> respectively.

Iran's serious deficiencies with respect to anti-money laundering/countering the financing of terrorism ("AML/CFT") controls have long been highlighted by numerous international bodies and government agencies. Starting in October 2007, the Financial Action Task Force ("FATF") has issued a series of public statements expressing its concern that Iran's lack of a comprehensive AML/CFT regime represents a significant vulnerability within the international financial system. The statements further called upon Iran to address those deficiencies with urgency, and called upon FATF-member countries to advise their institutions to conduct enhanced due diligence with respect to the risks associated with Iran's deficiencies.<sup>17</sup>

The FATF has been particularly concerned with Iran's failure to address the risk of terrorist financing, and starting in February 2009, the FATF called upon its members and urged all

jurisdictions to apply effective countermeasures to protect their financial sectors from the terrorist financing risks emanating from Iran.<sup>18</sup> In addition, the FATF advised jurisdictions to protect correspondent relationships from being used to bypass or evade countermeasures and risk mitigation practices, and to take into account money laundering and financing of terrorism risks when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdictions.<sup>19</sup> The FATF also called on its members and other jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions.<sup>20</sup> Over the past three years, the FATF has repeatedly reiterated these concerns and reaffirmed its call for FATF-member countries and all jurisdictions to implement countermeasures to protect the international financial system from the terrorist financing risk emanating from Iran. In response, numerous countries, including all G7 countries, have issued advisories to their financial institutions.<sup>21</sup>

The FATF's most recent statement in October 2011 reiterated, with a renewed urgency, its concern regarding Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity to the international financial system.<sup>22</sup> The FATF reaffirmed its February 2009 call to apply effective countermeasures to protect their financial sectors from ML/FT risks emanating from Iran, and further called upon its members to consider the steps already taken and possible additional safeguards or strengthen existing ones.<sup>23</sup> In addition,

the FATF stated that, if Iran fails to take concrete steps to improve its AML/CFT regime, the FATF will consider calling on its members and urging all jurisdictions to strengthen countermeasures in February 2012.<sup>24</sup> The numerous calls by the FATF for Iran to urgently address its terrorist financing vulnerability, coupled with the extensive record of Iranian entities using the financial system to finance terrorism, proliferation activities, and other illicit activity,<sup>25</sup> raises significant concern over the willingness or ability of Iran to establish adequate controls to counter terrorist financing.

Although none of these actions to sanction Iran prohibit domestic financial institutions and agencies from opening or maintaining a correspondent account for or on behalf of any financial institution in Iran, or require the type of special due diligence outlined in this proposed rulemaking, FinCEN encourages other countries or multilateral groups to take similar action based on the findings contained in this rulemaking.

## 2. *Whether the Imposition of the Fifth Special Measure Would Create a Significant Competitive Disadvantage, Including Any Undue Cost or Burden Associated With Compliance, for Financial Institutions Organized or Licensed in the United States*

The fifth special measure sought to be imposed by this rulemaking would prohibit covered financial institutions from opening and maintaining correspondent accounts for, or on behalf of, Iranian banking institutions. As a corollary to this measure, covered financial institutions also would be required to take reasonable steps to apply special due diligence, as set forth below, to all of their correspondent accounts to help ensure that no such account is being used indirectly to provide services to an Iranian banking institution. FinCEN does not expect the burden associated with these requirements to be significant given that U.S. financial institutions have long been subject to sanctions regulations prohibiting the provision of correspondent account services for banking institutions in Iran. There is a minimal burden involved in transmitting a one-time notice to certain correspondent account holders concerning the prohibition on indirectly providing services to Iranian banking institutions. In addition, U.S. financial

<sup>12</sup> For a complete discussion of the sanctions adopted by UNSCR 1803, see "Resolution 1803," United Nations Security Council, March 3, 2008 (<http://www.un.org/Docs/sc/unscreolutions08.htm>).

<sup>13</sup> For a complete discussion of the sanctions adopted by UNSCR 1929, see "Resolution 1929," United Nations Security Council, June 9, 2010 (<http://www.un.org/Docs/sc/unscreolutions10.htm>).

<sup>14</sup> See "Resolution 1835," United Nations Security Council, September 27, 2008 (<http://www.un.org/Docs/sc/unscreolutions08.htm>).

<sup>15</sup> See "Resolution 1887," United Nations Security Council, September 24, 2009 (<http://www.un.org/Docs/sc/unscreolutions09.htm>).

<sup>16</sup> See "Resolution 1929," United Nations Security Council, June 9, 2010 (<http://www.un.org/Docs/sc/unscreolutions10.htm>).

<sup>17</sup> In response to concerns raised by these FATF and IMF reports, FinCEN issued an advisory on October 16, 2007 to financial institutions regarding the heightened risk of Iranian "money laundering, terrorist financing, and weapons of mass destruction proliferation financing." The advisory further cautioned institutions that there may be an increased effort by Iranian entities to circumvent international sanctions and related financial community scrutiny through the use of deceptive practices. See "Guidance to Financial Institutions on the Increasing Money Laundering Threat Involving Illicit Iranian Activity," FinCEN, October 16, 2007 ([http://www.fincen.gov/statutes\\_regs/guidance/pdf/guidance\\_fi\\_increasing\\_mli\\_iranian.pdf](http://www.fincen.gov/statutes_regs/guidance/pdf/guidance_fi_increasing_mli_iranian.pdf)). The FATF simultaneously published guidance to assist countries with implementation of UNSCRs 1737 and 1747. See "Guidance Regarding the Implementation of Activity-Based Financial Prohibitions of United Nations Security Council Resolution 1737," October 12, 2007 (<http://www.fatf-gafi.org/dataoecd/43/17/39494050.pdf>) and "Guidance Regarding the Implementation of Financial Provisions of the United Nations Security Council Resolutions to Counter the Proliferation of Weapons of Mass Destruction," September 5, 2007 (<http://www.fatf-gafi.org/dataoecd/23/16/39318680.pdf>).

<sup>18</sup> See "FATF Statement on Iran," The Financial Action Task Force, February 25, 2009 (<http://www.fatf-gafi.org/dataoecd/18/28/42242615.pdf>).

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> See "Circular 13/2008 (GW)—Statement of the FATF of 16 October 2008," November 7, 2008 ([http://www.bafin.de/clin\\_171/nn\\_721228/SharedDocs/Veroeffentlichungen/EN/Service/Circulars/rs\\_0813\\_gw.html?\\_nnn=true](http://www.bafin.de/clin_171/nn_721228/SharedDocs/Veroeffentlichungen/EN/Service/Circulars/rs_0813_gw.html?_nnn=true)); "February 27, 2009 FINTRAC Advisory," February 27, 2009 (<http://www.fintrac-canafe.gc.ca/publications/avs/2009-02-27-eng.asp>); "HM Treasury warns businesses of serious threats posed to the international financial system," March 11, 2009 ([http://web.archive.nationarchives.gov.uk/+http://www.hm-treasury.gov.uk/press\\_26\\_09.htm](http://web.archive.nationarchives.gov.uk/+http://www.hm-treasury.gov.uk/press_26_09.htm)); "Letter from French Minister of Economy," ([http://www2.economie.gouv.fr/directions\\_services/dgtpe/sanctions/sanctions\\_iran.php](http://www2.economie.gouv.fr/directions_services/dgtpe/sanctions/sanctions_iran.php)); and "Bank of Italy Circular," ([http://www.dt.tesoro.it/it/prevenzione\\_reati\\_finanziari/](http://www.dt.tesoro.it/it/prevenzione_reati_finanziari/)).

<sup>22</sup> See "FATF Public Statement," The Financial Action Task Force, October 28, 2011 ([http://www.fatf-gafi.org/document/55/0,3746,en\\_32250379\\_32236992\\_48966519\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/55/0,3746,en_32250379_32236992_48966519_1_1_1_1,00.html)).

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> "Update on the Continuing Illicit Finance Threat Emanating From Iran," FinCEN, June 22, 2010 ([http://www.fincen.gov/statutes\\_regs/guidance/html/jin-2010-a008.html](http://www.fincen.gov/statutes_regs/guidance/html/jin-2010-a008.html)).

institutions generally apply some degree of due diligence in screening their transactions and accounts, often through the use of commercially available software such as that used for compliance with the economic sanctions programs administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury. As explained in more detail in the section-by-section analysis below, financial institutions should, if necessary, be able to easily adapt their current screening procedures to comply with this special measure. Thus, the special due diligence that would be required by this rulemaking is not expected to impose a significant additional burden upon U.S. financial institutions.

*3. The Extent To Which the Proposed Action or Timing of the Action Will Have a Significant Adverse Systemic Impact on the International Payment, Clearance, and Settlement System, or on Legitimate Business Activities of Iran*

Banking institutions in Iran generally are not major participants in the international payment system and are not relied upon by the international banking community for clearance or settlement services. Additionally, given the preexisting OFAC and international sanctions on Iran and certain Iranian banking institutions, it is unlikely that these new measures or the timing of the new measures will have a significant impact on the international payment, clearance, and settlement system. Financial transactions between the United States and Iran pertaining to licensed agricultural and medical exports to Iran, as well as other licensed transactions or transactions exempted or not prohibited from the scope of OFAC sanctions, may continue under the rule as proposed.<sup>26</sup> Legitimate pre-existing personal investments held by Iranian residents in the United States that do not involve Iranian banking institutions will be unaffected. Consequently, in light of the reasons for imposing this special measure, FinCEN does not believe that it will impose an undue burden on legitimate business activities.

*4. The Effect of the Proposed Action on United States National Security and Foreign Policy*

The exclusion from the U.S. financial system of jurisdictions that serve as conduits for significant money laundering activity, for the financing of terrorism or weapons of mass destruction or their delivery systems,

and for other financial crimes enhances U.S. national security by making it more difficult for terrorists and money launderers to access the substantial resources of the U.S. financial system. To the extent that this action serves as an additional tool in preventing Iran from accessing the U.S. financial system, the proposed action supports and upholds U.S. national security and foreign policy goals. More generally, the imposition of the fifth special measure would complement the U.S. Government's worldwide efforts to expose and disrupt international money laundering and terrorist financing.

Therefore, pursuant to the finding of the Director of FinCEN that Iran is a jurisdiction of primary money laundering concern, and after conducting the required consultations and weighing the relevant factors, FinCEN has determined that reasonable grounds exist for imposing the fifth special measure authorized by 31 U.S.C. 5318A(b)(5) against Iran.

### III. Section-by-Section Analysis

The proposed rule would prohibit covered financial institutions from establishing, maintaining, or managing in the United States any correspondent account for, or on behalf of, banking institutions in Iran. As a corollary to this prohibition, covered financial institutions would be required to apply special due diligence to their correspondent accounts to guard against their improper indirect use by Iranian banking institutions. At a minimum, that special due diligence must include two elements. First, a covered financial institution must notify those correspondent account holders that the covered financial institution knows or has reason to know provide services to Iranian banking institutions, that such correspondents may not provide Iranian banking institutions with access to the correspondent account maintained at the covered financial institution. Second, a covered financial institution must take reasonable steps to identify any indirect use of its correspondent accounts by Iranian banking institutions, to the extent that such indirect use can be determined from transactional records maintained by the covered financial institution in the normal course of business. A covered financial institution should take a risk-based approach when deciding what, if any, additional due diligence measures it should adopt to guard against the improper indirect use of its correspondent accounts by Iranian banking institutions, based on risk factors such as the type of services it

offers and the geographic locations of its correspondents.

#### A. 1010.657(a)—Definitions

##### 1. Correspondent Account

Section 1010.657(a)(1) defines the term "correspondent account" by reference to the definition contained in 31 CFR 1010.605(c)(1)(ii). Section 1010.605(c)(1)(ii) defines a correspondent account to mean:

- An account established to receive deposits from, or make payments or other disbursements on behalf of, a foreign bank, or handle other financial transactions related to the foreign bank.

In the case of a U.S. depository institution, this broad definition includes most types of banking relationships between a U.S. depository institution and a foreign bank that are established to provide regular services, dealings, and other financial transactions including demand deposit, savings deposit, or other transaction or asset accounts, and credit accounts or other extensions of credit.<sup>27</sup>

In the case of securities broker-dealers, futures commission merchants, introducing brokers in commodities, and investment companies that are open-end companies (mutual funds), we are using the same definition of "account" for purposes of this rule as was established in the final rule implementing section 312 of the USA PATRIOT Act.<sup>28</sup>

##### 2. Covered Financial Institution

Section 1010.657(a)(2) of the proposed rule defines "covered financial institution" with the same definition used in the final rule implementing section 312 of the USA PATRIOT Act,<sup>29</sup> which in general includes the following:

- An insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813(h));
  - A commercial bank;
  - An agency or branch of a foreign bank in the United States;
  - A federally insured credit union;
  - A credit union;
  - A savings association;
  - A corporation acting under section 25A of the Federal Reserve Act (12 U.S.C. 611);
  - A trust bank or trust company that is federally regulated and is subject to an anti-money laundering program requirements;
  - A broker or dealer in securities registered, or required to be registered,

<sup>27</sup> See 31 CFR 1010.605(c)(2)(i)(A)–(B).

<sup>28</sup> See 31 CFR 1010.605(c)(2)(ii)–(iv).

<sup>29</sup> See 31 CFR 1010.605(f)(1)–(2).

<sup>26</sup> For a more complete discussion of prohibited and non-prohibited transactions, see <http://www.treas.gov/ofac>.

with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), except persons who register pursuant to section 15(b)(11) of the Securities Exchange Act of 1934;

- A futures commission merchant or an introducing broker registered, or required to be registered, with the Commodity Futures Trading Commission under the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), except persons who register pursuant to section 4(f)(a)(2) of the Commodity Exchange Act;

- A private banker; and
- A mutual fund.

### 3. Iranian Banking Institution

Section 1010.657(a)(3) of the proposed rule defines a foreign bank as that term is defined in 1010.100(u). An Iranian banking institution shall mean any foreign bank chartered by Iran, including any branches, offices, or subsidiaries of such bank operating in any jurisdiction, and any branch or office within Iran of any foreign bank licensed by Iran. In addition, the Central Bank of Iran (Bank Markazi Iran),<sup>30</sup> as well as any foreign bank of which more than 50 percent of the voting stock or analogous interest is owned by two or more foreign banks chartered by Iran, shall be considered an Iranian banking institution. For purposes of this rule, a subsidiary shall mean a company of which more than 50 percent of the voting stock or analogous interest is directly or indirectly owned by another company.

A covered financial institution should take commercially reasonable measures to determine whether it maintains a correspondent account for an Iranian banking institution, including a branch, office, or subsidiary of an Iranian banking institution.

#### B. 1010.657(b)—Requirements for Covered Financial Institutions

For purposes of complying with the proposed rule's prohibition on the opening or maintaining of correspondent accounts for, or on behalf of, Iranian banking institutions, FinCEN expects that a covered financial

institution will take such steps that a reasonable and prudent financial institution would take to protect itself from loan fraud or other fraud or loss based on misidentification of a person's status.

#### 1. Prohibition on Direct Use of Correspondent Accounts

Section 1010.657(b)(1) of the proposed rule requires all covered financial institutions to terminate any correspondent account that is established, maintained, administered, or managed in the United States for, or on behalf of, Iranian banking institutions, provided that the account is not blocked under any Executive Order issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA) or under 31 CFR Chapter V. The prohibition would require all covered financial institutions to review their account records to ensure that they maintain no accounts directly for, or on behalf of, an Iranian banking institution.

#### 2. Special Due Diligence of Correspondent Accounts To Prohibit Improper Indirect Use

As a corollary to the prohibition on maintaining correspondent accounts directly for Iranian banking institutions, proposed section 1010.657(b)(2) requires a covered financial institution to apply special due diligence to its correspondent accounts<sup>31</sup> that is reasonably designed to guard against their improper indirect use by Iranian banking institutions. At a minimum, that special due diligence must include notifying those correspondent account holders that the covered financial institution knows or has reason to know provide services to Iranian banking institutions, that such correspondents generally may not provide Iranian banking institutions with access to the correspondent account maintained at the covered financial institution. A covered financial institution would, for example, have knowledge that the correspondents provide such access to Iranian banking institutions through transaction screening software or through the processing of Iranian transactions under OFAC licenses. A covered financial institution may satisfy this requirement by transmitting the following notice to its correspondent account holders that it knows or has

reason to know provide services to Iranian banking institutions:

Notice: Pursuant to U.S. regulations issued under section 311 of the USA PATRIOT Act, 31 CFR 1010.657, we are prohibited from establishing, maintaining, administering or managing a correspondent account for, or on behalf of, an Iranian banking institution or any of its subsidiaries. The regulations also require us to notify you that you may not provide an Iranian banking institution or any of its subsidiaries with access to the correspondent account you hold at our financial institution other than for the purpose of processing transactions that are authorized, exempt, or not prohibited pursuant to any Executive Order issued under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) or 31 C.F.R. Chapter V. If we become aware that an Iranian banking institution or any of its subsidiaries is indirectly using the correspondent account you hold at our financial institution for transactions other than those specified above, we will be required to take appropriate steps to prevent such access, including terminating your account.

The purpose of the notice requirement is to help ensure cooperation from correspondent account holders in denying Iranian banking institutions access to the U.S. financial system. However, FinCEN does not require or expect a covered financial institution to obtain a certification from any of its correspondent account holders that indirect access will not be provided in order to comply with this notice requirement. Instead, methods of compliance with the notice requirement could include, for example, transmitting a one-time notice by mail, fax, or email to certain of the covered financial institution's correspondent account customers, informing them that they may not provide Iranian banking institutions with access to the covered financial institution's correspondent account, or including such information in the next regularly occurring transmittal from the covered financial institution to those correspondent account holders. FinCEN specifically solicits comments on the form and scope of the notice that would be required under the rule. FinCEN also requests comment as to whether a one-time notice will be sufficient to ensure cooperation from correspondent account holders in denying Iranian banking institutions access to the financial system, as well as the incremental costs that financial institutions would incur if this rule required an annual notice.

A covered financial institution also would be required under this rulemaking to take reasonable steps to identify any indirect use of its correspondent accounts by Iranian

<sup>30</sup> Prior regulations that have applied Section 311 special measures to jurisdictions of primary money laundering concern have not included the jurisdiction's central bank within the scope of the regulation. However, in the case of the Islamic Republic of Iran, this inclusion is justified due to the deceptive practices the Central Bank of Iran engages in and encourages among Iranian state-owned banks. This behavior is discussed in the notice of finding that the Islamic Republic of Iran is a jurisdiction of primary money laundering concern published elsewhere today in the **Federal Register**. See footnote 5, *supra*.

<sup>31</sup> Again, for purposes of the proposed rule, a correspondent account is defined as an account established to receive deposits from, or make payments or other disbursements on behalf of, a foreign bank, or handle other financial transactions related to the foreign bank.

banking institutions, to the extent that such indirect use can be determined from transactional records maintained by the covered financial institution in the normal course of business. For example, a covered financial institution would be expected to apply an appropriate screening mechanism to be able to identify a funds transfer order that on its face listed an Iranian banking institution as the originator's or beneficiary's financial institution, or otherwise referenced an Iranian banking institution in a manner detectable under the financial institution's normal screening processes. An appropriate screening mechanism could be the mechanism used by a covered financial institution to comply with various legal requirements, such as the commercially available software programs used to comply with the economic sanctions programs administered by OFAC. FinCEN specifically solicits comments on the requirement under the proposed rule that covered financial institutions take reasonable steps to screen their correspondent accounts in order to identify any indirect use of such accounts by Iranian banking institutions.

Notifying certain correspondent account holders and taking reasonable steps to identify any indirect use of its correspondent accounts by Iranian banking institutions in the manner discussed above are the minimum due diligence requirements under the proposed rule. Beyond these minimum steps, a covered financial institution should adopt a risk-based approach for determining what, if any, additional due diligence measures it should implement to guard against the improper indirect use of its correspondent accounts by Iranian banking institutions, based on risk factors such as the type of services it offers and the geographic locations of its correspondent account holders.

A covered financial institution that obtains knowledge that a correspondent account is being used by a foreign bank to provide indirect access to an Iranian banking institution must take all appropriate steps to prevent such indirect access, including the notification of its correspondent account holder per section 1010.657(b)(2)(i)(A) and, where necessary, terminating the correspondent account. However, this provision does not require financial institutions to prevent indirect access to correspondent accounts when such access is necessary to conduct transactions involving Iranian banking institutions that are: (1) Authorized pursuant to Executive Orders issued under IEEPA or pursuant to 31 CFR Chapter V, including transactions

authorized by the Office of Foreign Assets Control; (2), exempted from the prohibitions of such authority; or (3) not prohibited by such authority.

A covered financial institution may afford the foreign bank a reasonable opportunity to take corrective action prior to terminating the correspondent account. Should the foreign bank refuse to comply, or if the covered financial institution cannot obtain adequate assurances that Iranian banking institutions will no longer be able to improperly access the correspondent account, the covered financial institution must terminate the account within a commercially reasonable time. This means that the covered financial institution should not permit the foreign bank to establish any new positions or execute any transactions through the account, other than those necessary to close the account. A covered financial institution may reestablish an account closed under the proposed rule if it determines that the account will not be used to provide improper indirect access to an Iranian banking institution. FinCEN specifically solicits comments on the requirement under the proposed rule that covered financial institutions prevent improper indirect access to Iranian banking institutions, once such indirect access is identified.

### 3. Reporting Not Required

Section 1010.657(b)(3) of the proposed rule clarifies that the rule does not impose any reporting requirement upon any covered financial institution that is not otherwise required by applicable law or regulation. A covered financial institution must, however, document its compliance with the requirement that it notify those correspondent account holders that the covered financial institution knows or has reason to know provide services to Iranian banking institutions, that such correspondents may not provide Iranian banking institutions with improper access to the correspondent account maintained at the covered financial institution.

### IV. Request for Comments

FinCEN invites comments on all aspects of the proposal to prohibit the opening or maintaining of correspondent accounts for or on behalf of Iranian banking institutions, and specifically invites comments on the following matters:

1. The form and scope of the notice to certain correspondent account holders that would be required under the rule and whether a one-time notice will be sufficient to ensure cooperation from correspondent account holders in

denying Iranian banking institutions access to the financial system, and the incremental costs that financial institutions would incur if this rule required an annual notice;

2. The appropriate scope of the proposed requirement for a covered financial institution to take reasonable steps to identify any indirect use of its correspondent accounts by Iranian banking institutions;

3. The appropriate steps a covered financial institution should take once it identifies an indirect use of one of its correspondent accounts by an Iranian banking institution; and

4. The impact of the proposed special measure upon legitimate transactions with Iran involving, in particular, U.S. persons and entities; foreign persons, entities, and governments; and multilateral organizations doing legitimate business with persons or entities operating in Iran.

### V. Regulatory Flexibility Act

It is hereby certified that this proposed rule will not have a significant economic impact on a substantial number of small entities. Given that U.S. financial institutions have long been subject to sanctions regulations prohibiting the provision of correspondent account services for banking institutions in Iran, FinCEN assesses that the prohibition on maintaining such accounts will not have a significant impact on a substantial number of small entities. In addition, all U.S. persons, including U.S. financial institutions, currently must exercise some degree of due diligence in order to comply with various legal requirements. The tools used for such purposes, including commercially available software used to comply with the economic sanctions programs administered by OFAC, can easily be modified to monitor for the use of correspondent accounts by Iranian banking institutions. Thus, the special due diligence that would be required by this rulemaking—*i.e.*, the one-time transmittal of notice to certain correspondent account holders and the screening of transactions to identify any indirect use of correspondent accounts, is not expected to impose a significant additional economic burden upon small U.S. financial institutions. FinCEN invites comments from members of the public who believe there will be a significant economic impact on small entities.

### VI. Paperwork Reduction Act

The collection of information contained in this proposed rule is being submitted to the Office of Management

and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the Desk Officer for the Department of Treasury, Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (1506), Washington, DC 20503 (or by email to *oira\_submission@omb.eop.gov*) with a copy to FinCEN by mail or email at the addresses previously specified. Comments should be submitted by one method only. Comments on the collection of information should be received by January 27, 2012. In accordance with the requirements of the Paperwork Reduction Act of 1995, 44 U.S.C. 3506(c)(2)(A), and its implementing regulations, 5 CFR part 1320, the following information concerning the collection of information as required by 31 CFR 1010.657 is presented to assist those persons wishing to comment on the information collection.

The collection of information in this proposed rule is in 1010.657(b)(2)(i) and 1010.657(b)(3)(i). The notification requirement in 1010.657(b)(2)(i) is intended to ensure cooperation from correspondent account holders in denying Iranian banking institutions access to the U.S. financial system. The information required to be maintained by 1010.657(b)(3)(i) will be used by federal agencies and certain self-regulatory organizations to verify compliance by covered financial institutions with the provisions of 31 CFR 1010.657. The class of financial institutions affected by the notification requirement is identical to the class of financial institutions affected by the recordkeeping requirement. The collection of information is mandatory.

*Description of Affected Financial Institutions:* Banks, broker-dealers in securities, futures commission merchants and introducing brokers, and mutual funds maintaining correspondent accounts.

*Estimated Number of Affected Financial Institutions:* 5,000.

*Estimated Average Annual Burden Hours per Affected Financial Institution:* The estimated average burden associated with the collection of information in this proposed rule is one hour per affected financial institution.

*Estimated Total Annual Burden:* 5,000 hours.

FinCEN specifically invites comments on: (a) Whether the proposed collection of information is necessary for the proper performance of the mission of FinCEN, including whether the information shall have practical utility;

(b) the accuracy of FinCEN's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information required to be maintained; (d) ways to minimize the burden of the required collection of information, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to maintain the information.

#### VII. Executive Order 12866

The proposed rule is not a significant regulatory action for purposes of Executive Order 12866, "Regulatory Planning and Review."

#### List of Subjects in 31 CFR Chapter X

Administrative practice and procedure, Banks and banking, Brokers, Counter-money laundering, Counter-terrorism, Foreign banking, Iran.

#### Authority and Issuance

For the reasons set forth in the preamble, chapter X of title 31 of the Code of Federal Regulations is proposed to be amended as follows:

#### Chapter X—Financial Recordkeeping and Reporting of Currency and Financial Transactions

1. The authority citation for chapter X is amended to read as follows:

**Authority:** 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5314, 5316–5332 Title III, secs. 311, 312, 313, 314, 319, 326, 352, Pub. L. 107–56, 115 Stat. 307.

2. Subpart F of Chapter X is amended by adding new § 1010.657 under the undesignated center heading "SPECIAL DUE DILIGENCE FOR CORRESPONDENT ACCOUNTS AND PRIVATE BANKING ACCOUNTS" to read as follows:

#### § 1010.657 Special measures against the Islamic Republic of Iran.

(a) *Definitions.* For purposes of this section:

(1) *Correspondent account* has the same meaning as provided in § 1010.605(c)(1)(ii).

(2) *Covered financial institution* has the same meaning as provided in § 1010.605(f)(1)–(2).

(3) *Foreign bank* has the same meaning as 1010.100(u).

(4) *Iranian banking institution* means the following:

(i) Any foreign bank chartered by Iran, including any branches, offices, or subsidiaries of such bank operating in any jurisdiction, and any branch or office within Iran of any foreign bank licensed by Iran;

(ii) The Central Bank of Iran (Bank Markazi Iran); and

(iii) Any foreign bank of which more than 50 percent of the voting stock or analogous interest is owned by two or more foreign banks chartered by Iran.

(5) *Subsidiary* means a company of which more than 50 percent of the voting stock or analogous interest is owned by another company.

(b) *Requirements for covered financial institutions.*

(1) *Prohibition on direct use of correspondent accounts.* A covered financial institution shall terminate any correspondent account that is established, maintained, administered, or managed in the United States for, or on behalf of, an Iranian banking institution, provided that the account is not blocked under any Executive Order issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA) or under 31 CFR Chapter V.

(2) *Special due diligence of correspondent accounts to prohibit improper indirect use.*

(i) A covered financial institution shall apply special due diligence to its correspondent accounts that is reasonably designed to guard against their improper indirect use by Iranian banking institutions. At a minimum, that special due diligence must include:

(A) Notifying those correspondent account holders that the covered financial institution knows or has reason to know provide services to Iranian banking institutions, that such correspondents generally may not provide Iranian banking institutions with access to the correspondent account maintained at the covered financial institution; and

(B) Taking reasonable steps to identify any indirect use of its correspondent accounts by Iranian banking institutions, to the extent that such indirect use can be determined from transactional records maintained in the covered financial institution's normal course of business.

(ii) A covered financial institution shall take a risk-based approach when deciding what, if any, other due diligence measures it should adopt to guard against the improper indirect use of its correspondent accounts by Iranian banking institutions.

(iii) A covered financial institution that obtains knowledge that a correspondent account is being used by the foreign bank to provide indirect access to an Iranian banking institution, shall take all appropriate steps to prevent such indirect access, including the notification of its correspondent account holder under paragraph

(b)(2)(i)(A) of this section and, where necessary, terminating the correspondent account, except to the extent that such indirect access to the correspondent accounts is necessary to conduct transactions involving Iranian banking institutions that are: (1) Authorized pursuant to Executive Orders issued under IEEPA or pursuant to 31 CFR Chapter V, including transactions authorized by the Office of Foreign Assets Control; (2), exempted from the prohibitions of such authority; or (3) not prohibited by such authority.

(3) *Recordkeeping and reporting.*

(i) A covered financial institution is required to document its compliance with the notice requirement set forth in paragraph (b)(2)(i)(A) of this section.

(ii) Nothing in this section shall require a covered financial institution to report any information not otherwise required to be reported by law or regulation.

Dated: November 18, 2011.

**James H. Freis, Jr.,**

*Director, Financial Crimes Enforcement Network.*

[FR Doc. 2011-30331 Filed 11-25-11; 8:45 am]

BILLING CODE 4810-02-P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[EPA-R04-OAR-2010-0017-201014(b) & EPA-R04-OAR-2010-0018-201001(b); FRL-9495-8]

### Approval and Promulgation of Air Quality Implementation Plans: South Carolina; Negative Declarations for Groups I, II, III and IV Control Techniques Guidelines; and Reasonably Available Control Technology

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing to approve several State Implementation Plan (SIP) revisions submitted by the South Carolina Department of Health and Environmental Control (SC DHEC). These revisions establish reasonably available control technology (RACT) requirements for the three major sources located in the portion of York County, South Carolina that is within the bi-state Charlotte-Gastonia-Rock Hill, North Carolina-South Carolina 1997 8-hour ozone nonattainment area that either emit volatile organic compounds, nitrogen oxides or both. The bi-state Charlotte-Gastonia-Rock Hill 1997 8-

hour ozone nonattainment area is hereinafter referred to as the "bi-state Charlotte Area." In addition, South Carolina's SIP revisions include negative declarations for certain source categories for which EPA has control technique guidelines, meaning that SC DHEC has concluded that no such sources are located in that portion of the nonattainment area. EPA has evaluated the proposed revisions to South Carolina's SIP, and has preliminarily concluded that they are consistent with statutory and regulatory requirements and EPA guidance.

**DATES:** Written comments must be received on or before December 28, 2011.

**ADDRESSES:** Submit your comments, identified by Docket ID No. EPA-R04-OAR-2010-0017 and EPA-R04-OAR-2010-0018 by one of the following methods:

1. *http://www.regulations.gov:* Follow the online instructions for submitting comments.
2. *Email:* [benjamin.lynorae@epa.gov](mailto:benjamin.lynorae@epa.gov).
3. *Fax:* (404) 562-9019.
4. *Mail:* "EPA-R04-OAR-2010-0017"

for comments regarding the RACT demonstration and the negative declarations for Groups I and I CTG. "EPA-R04-OAR-2010-0018" for comments regarding the negative declarations for Groups III and IV CTG. Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960.

5. *Hand Delivery or Courier:* Lynorae Benjamin, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. Such deliveries are only accepted during the Regional Office's normal hours of operation. The Regional Office's official hours of business are Monday through Friday, 8:30 to 4:30, excluding Federal holidays.

Please see the direct final rule which is located in the Rules section of this **Federal Register** for detailed instructions on how to submit comments.

**FOR FURTHER INFORMATION CONTACT:** Zuri Farngalo, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. Zuri Farngalo may be reached by phone at

(404) 562-9152 or by electronic mail address [farngalo.zuri@epa.gov](mailto:farngalo.zuri@epa.gov).

**SUPPLEMENTARY INFORMATION:** On March 12, 2008, EPA issued a revised ozone NAAQS. See 73 FR 16436. EPA subsequently announced a reconsideration of the 2008 NAAQS, and proposed new 8-hour ozone NAAQS in January 2010. See 75 Fr 2938. In September 2011, EPA withdrew the proposed reconsidered NAAQS and began implementation of the 2008 NAAQS. The current action, however, is being taken to address requirements under the 1997 ozone NAAQS for a portion of York County, South Carolina. Requirements for the bi-state Charlotte Area under the 2008 NAAQS will be addressed in the future.

For additional information see the direct final rule which is published in the Rules Section of this **Federal Register**. In the Final Rules Section of this **Federal Register**, EPA is approving the State's SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial submittal and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this rule, no further activity is contemplated. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. EPA will not institute a second comment period on this document. Any parties interested in commenting on this document should do so at this time.

Dated: November 7, 2011.

**A. Stanley Meiburg,**

*Acting Regional Administrator, Region 4.*

[FR Doc. 2011-30297 Filed 11-25-11; 8:45 am]

BILLING CODE 6560-50-P

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 73

[MM Docket No. 99-325; DA 11-1832]

### FM Asymmetric Sideband Operation and Associated Technical Studies

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** In this document, the Federal Communications Commission seeks comment on a request by certain private parties, identified below, that the Commission authorize voluntary asymmetric digital sideband power for



PUBLIC LAW 112-158—AUG. 10, 2012

IRAN THREAT REDUCTION AND SYRIA  
HUMAN RIGHTS ACT OF 2012

Public Law 112–158  
112th Congress

An Act

Aug. 10, 2012  
[H.R. 1905]

To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Iran Threat  
Reduction and  
Syria Human  
Rights Act of  
2012.  
22 USC 8701  
note.

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Iran Threat Reduction and Syria Human Rights Act of 2012”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

**TITLE I—EXPANSION OF MULTILATERAL SANCTIONS REGIME WITH  
RESPECT TO IRAN**

- Sec. 101. Sense of Congress on enforcement of multilateral sanctions regime and expansion and implementation of sanctions laws.  
Sec. 102. Diplomatic efforts to expand multilateral sanctions regime.

**TITLE II—EXPANSION OF SANCTIONS RELATING TO THE ENERGY SECTOR  
OF IRAN AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY  
IRAN**

**Subtitle A—Expansion of the Iran Sanctions Act of 1996**

- Sec. 201. Expansion of sanctions with respect to the energy sector of Iran.  
Sec. 202. Imposition of sanctions with respect to transportation of crude oil from Iran and evasion of sanctions by shipping companies.  
Sec. 203. Expansion of sanctions with respect to development by Iran of weapons of mass destruction.  
Sec. 204. Expansion of sanctions available under the Iran Sanctions Act of 1996.  
Sec. 205. Modification of waiver standard under the Iran Sanctions Act of 1996.  
Sec. 206. Briefings on implementation of the Iran Sanctions Act of 1996.  
Sec. 207. Expansion of definitions under the Iran Sanctions Act of 1996.  
Sec. 208. Sense of Congress on energy sector of Iran.

**Subtitle B—Additional Measures Relating to Sanctions Against Iran**

- Sec. 211. Imposition of sanctions with respect to the provision of vessels or shipping services to transport certain goods related to proliferation or terrorism activities to Iran.  
Sec. 212. Imposition of sanctions with respect to provision of underwriting services or insurance or reinsurance for the National Iranian Oil Company or the National Iranian Tanker Company.  
Sec. 213. Imposition of sanctions with respect to purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt.  
Sec. 214. Imposition of sanctions with respect to subsidiaries and agents of persons sanctioned by United Nations Security Council resolutions.  
Sec. 215. Imposition of sanctions with respect to transactions with persons sanctioned for certain activities relating to terrorism or proliferation of weapons of mass destruction.

- Sec. 216. Expansion of, and reports on, mandatory sanctions with respect to financial institutions that engage in certain activities relating to Iran.
- Sec. 217. Continuation in effect of sanctions with respect to the Government of Iran, the Central Bank of Iran, and sanctions evaders.
- Sec. 218. Liability of parent companies for violations of sanctions by foreign subsidiaries.
- Sec. 219. Disclosures to the Securities and Exchange Commission relating to sanctionable activities.
- Sec. 220. Reports on, and authorization of imposition of sanctions with respect to, the provision of specialized financial messaging services to the Central Bank of Iran and other sanctioned Iranian financial institutions.
- Sec. 221. Identification of, and immigration restrictions on, senior officials of the Government of Iran and their family members.
- Sec. 222. Sense of Congress and rule of construction relating to certain authorities of State and local governments.
- Sec. 223. Government Accountability Office report on foreign entities that invest in the energy sector of Iran or export refined petroleum products to Iran.
- Sec. 224. Reporting on the importation to and exportation from Iran of crude oil and refined petroleum products.

### TITLE III—SANCTIONS WITH RESPECT TO IRAN'S REVOLUTIONARY GUARD CORPS

#### Subtitle A—Identification of, and Sanctions With Respect to, Officials, Agents, Affiliates, and Supporters of Iran's Revolutionary Guard Corps and Other Sanctioned Persons

- Sec. 301. Identification of, and imposition of sanctions with respect to, officials, agents, and affiliates of Iran's Revolutionary Guard Corps.
- Sec. 302. Identification of, and imposition of sanctions with respect to, persons that support or conduct certain transactions with Iran's Revolutionary Guard Corps or other sanctioned persons.
- Sec. 303. Identification of, and imposition of measures with respect to, foreign government agencies carrying out activities or transactions with certain Iran-affiliated persons.
- Sec. 304. Rule of construction.

#### Subtitle B—Additional Measures Relating to Iran's Revolutionary Guard Corps

- Sec. 311. Expansion of procurement prohibition to foreign persons that engage in certain transactions with Iran's Revolutionary Guard Corps.
- Sec. 312. Determinations of whether the National Iranian Oil Company and the National Iranian Tanker Company are agents or affiliates of Iran's Revolutionary Guard Corps.

### TITLE IV—MEASURES RELATING TO HUMAN RIGHTS ABUSES IN IRAN

#### Subtitle A—Expansion of Sanctions Relating to Human Rights Abuses in Iran

- Sec. 401. Imposition of sanctions on certain persons responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.
- Sec. 402. Imposition of sanctions with respect to the transfer of goods or technologies to Iran that are likely to be used to commit human rights abuses.
- Sec. 403. Imposition of sanctions with respect to persons who engage in censorship or other related activities against citizens of Iran.

#### Subtitle B—Additional Measures to Promote Human Rights

- Sec. 411. Codification of sanctions with respect to grave human rights abuses by the governments of Iran and Syria using information technology.
- Sec. 412. Clarification of sensitive technologies for purposes of procurement ban under Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.
- Sec. 413. Expedited consideration of requests for authorization of certain human rights-, humanitarian-, and democracy-related activities with respect to Iran.
- Sec. 414. Comprehensive strategy to promote Internet freedom and access to information in Iran.
- Sec. 415. Statement of policy on political prisoners.

### TITLE V—MISCELLANEOUS

- Sec. 501. Exclusion of citizens of Iran seeking education relating to the nuclear and energy sectors of Iran.

- Sec. 502. Interests in certain financial assets of Iran.
- Sec. 503. Technical correction to section 1245 of the National Defense Authorization Act for Fiscal Year 2012.
- Sec. 504. Expansion of sanctions under section 1245 of the National Defense Authorization Act for Fiscal Year 2012.
- Sec. 505. Reports on natural gas exports from Iran.
- Sec. 506. Report on membership of Iran in international organizations.
- Sec. 507. Sense of Congress on exportation of goods, services, and technologies for aircraft produced in the United States.

#### TITLE VI—GENERAL PROVISIONS

- Sec. 601. Implementation; penalties.
- Sec. 602. Applicability to certain intelligence activities.
- Sec. 603. Applicability to certain natural gas projects.
- Sec. 604. Rule of construction with respect to use of force against Iran and Syria.
- Sec. 605. Termination.

#### TITLE VII—SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES IN SYRIA

- Sec. 701. Short title.
- Sec. 702. Imposition of sanctions with respect to certain persons who are responsible for or complicit in human rights abuses committed against citizens of Syria or their family members.
- Sec. 703. Imposition of sanctions with respect to the transfer of goods or technologies to Syria that are likely to be used to commit human rights abuses.
- Sec. 704. Imposition of sanctions with respect to persons who engage in censorship or other forms of repression in Syria.
- Sec. 705. Waiver.
- Sec. 706. Termination.

22 USC 8701.

#### SEC. 2. DEFINITIONS.

Except as otherwise specifically provided, in this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

(2) **FINANCIAL TRANSACTION.**—The term “financial transaction” means any transfer of value involving a financial institution, including the transfer of forwards, futures, options, swaps, or precious metals, including gold, silver, platinum, and palladium.

(3) **KNOWINGLY.**—The term “knowingly” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

(4) **UNITED STATES PERSON.**—The term “United States person” has the meaning given that term in section 101 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511).

## TITLE I—EXPANSION OF MULTILATERAL SANCTIONS REGIME WITH RESPECT TO IRAN

22 USC 8711.

#### SEC. 101. SENSE OF CONGRESS ON ENFORCEMENT OF MULTILATERAL SANCTIONS REGIME AND EXPANSION AND IMPLEMENTATION OF SANCTIONS LAWS.

It is the sense of Congress that the goal of compelling Iran to abandon efforts to acquire a nuclear weapons capability and other threatening activities can be effectively achieved through a comprehensive policy that includes economic sanctions, diplomacy,

and military planning, capabilities and options, and that this objective is consistent with the one stated by President Barack Obama in the 2012 State of the Union Address: “Let there be no doubt: America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal”. Among the economic measures to be taken are—

(1) prompt enforcement of the current multilateral sanctions regime with respect to Iran;

(2) full, timely, and vigorous implementation of all sanctions enacted into law, including sanctions imposed or expanded by this Act or amendments made by this Act, through—

(A) intensified monitoring by the President and the designees of the President, including the Secretary of the Treasury, the Secretary of State, and senior officials in the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)), as appropriate;

(B) more extensive use of extraordinary authorities provided for under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) and other sanctions laws;

(C) reallocation of resources to provide the personnel necessary, within the Department of the Treasury, the Department of State, and the Department of Commerce, and, where appropriate, the intelligence community, to apply and enforce sanctions; and

(D) expanded cooperation with international sanctions enforcement efforts;

(3) urgent consideration of the expansion of existing sanctions with respect to such areas as—

(A) the provision of energy-related services to Iran;

(B) the provision of insurance and reinsurance services to Iran;

(C) the provision of shipping services to Iran; and

(D) those Iranian financial institutions not yet designated for the imposition of sanctions that may be acting as intermediaries for Iranian financial institutions that are designated for the imposition of sanctions; and

(4) a focus on countering Iran’s efforts to evade sanctions, including—

(A) the activities of telecommunications, Internet, and satellite service providers, in and outside of Iran, to ensure that such providers are not participating in or facilitating, directly or indirectly, the evasion of the sanctions regime with respect to Iran or violations of the human rights of the people of Iran;

(B) the activities of financial institutions or other businesses or government agencies, in or outside of Iran, not yet designated for the imposition of sanctions; and

(C) urgent and ongoing evaluation of Iran’s energy, national security, financial, and telecommunications sectors, to gauge the effects of, and possible defects in, particular sanctions, with prompt efforts to correct any gaps in the existing sanctions regime with respect to Iran.

22 USC 8712.

**SEC. 102. DIPLOMATIC EFFORTS TO EXPAND MULTILATERAL SANCTIONS REGIME.**

(a) **MULTILATERAL NEGOTIATIONS.**—Congress urges the President to intensify diplomatic efforts, both in appropriate international fora such as the United Nations and bilaterally with allies of the United States, for the purpose of—

(1) expanding the United Nations Security Council sanctions regime to include—

(A) a prohibition on the issuance of visas to any official of the Government of Iran who is involved in—

(i) human rights violations in or outside of Iran;

(ii) the development of a nuclear weapons program and a ballistic missile capability in Iran; or

(iii) support by the Government of Iran for terrorist organizations, including Hamas and Hezbollah; and

(B) a requirement that each member country of the United Nations—

(i) prohibit the Islamic Republic of Iran Shipping Lines from landing at seaports, and cargo flights of Iran Air from landing at airports, in that country because of the role of those organizations in proliferation and illegal arms sales; and

(ii) apply the prohibitions described in clause (i) to other Iranian entities designated for the imposition of sanctions on or after the date of the enactment of this Act;

(2) expanding the range of sanctions imposed with respect to Iran by allies of the United States;

(3) expanding efforts to limit the development of petroleum resources and the importation of refined petroleum products by Iran;

(4) developing additional initiatives to—

(A) increase the production of crude oil in countries other than Iran; and

(B) assist countries that purchase or otherwise obtain crude oil or petroleum products from Iran to eliminate their dependence on crude oil and petroleum products from Iran; and

(5) eliminating the revenue generated by the Government of Iran from the sale of petrochemical products produced in Iran to other countries.

President.

(b) **REPORTS TO CONGRESS.**—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report on the extent to which diplomatic efforts described in subsection (a) have been successful that includes—

(1) an identification of the countries that have agreed to impose sanctions or take other measures to further the policy set forth in subsection (a);

(2) the extent of the implementation and enforcement of those sanctions or other measures by those countries;

(3) the criteria the President uses to determine whether a country has significantly reduced its crude oil purchases from Iran pursuant to section 1245(d)(4)(D) of the National Defense Authorization Act for Fiscal Year 2012, as amended by section 504, including considerations of reductions both in terms of volume and price;

(4) an identification of the countries that have not agreed to impose such sanctions or measures, including such countries granted exceptions for significant reductions in crude oil purchases pursuant to such section 1245(d)(4)(D);

(5) recommendations for additional measures that the United States could take to further diplomatic efforts described in subsection (a); and

(6) the disposition of any decision with respect to sanctions imposed with respect to Iran by the World Trade Organization or its predecessor organization.

## **TITLE II—EXPANSION OF SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY IRAN**

President.  
Determinations.

### **Subtitle A—Expansion of the Iran Sanctions Act of 1996**

#### **SEC. 201. EXPANSION OF SANCTIONS WITH RESPECT TO THE ENERGY SECTOR OF IRAN.**

50 USC 1701  
note.

Section 5(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) in the subsection heading, by striking “WITH RESPECT TO” and all that follows through “TO IRAN” and inserting “RELATING TO THE ENERGY SECTOR OF IRAN”;

(2) in paragraph (1)(A)—

(A) by striking “3 or more” and inserting “5 or more”; and

(B) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and inserting “the Iran Threat Reduction and Syria Human Rights Act of 2012”;

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking “3 or more” and inserting “5 or more”; and

(ii) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and inserting “the Iran Threat Reduction and Syria Human Rights Act of 2012”;

(B) in subparagraph (B), by inserting before the period at the end the following: “or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products”;

(4) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking “3 or more” and inserting “5 or more”; and

(ii) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and

inserting “the Iran Threat Reduction and Syria Human Rights Act of 2012”; and

(B) in subparagraph (B)—

(i) in clause (ii), by striking “; or” and inserting a semicolon;

(ii) in clause (iii), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

“(iv) bartering or contracting by which goods are exchanged for goods, including the insurance or reinsurance of such exchanges; or

“(v) purchasing, subscribing to, or facilitating the issuance of sovereign debt of the Government of Iran, including governmental bonds, issued on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.”; and

(5) by adding at the end the following:

“(4) JOINT VENTURES WITH IRAN RELATING TO DEVELOPING PETROLEUM RESOURCES.—

“(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participates, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture with respect to the development of petroleum resources outside of Iran if—

“(i) the joint venture is established on or after January 1, 2002; and

“(ii)(I) the Government of Iran is a substantial partner or investor in the joint venture; or

“(II) Iran could, through a direct operational role in the joint venture or by other means, receive technological knowledge or equipment not previously available to Iran that could directly and significantly contribute to the enhancement of Iran’s ability to develop petroleum resources in Iran.

Deadline.

“(B) APPLICABILITY.—Subparagraph (A) shall not apply with respect to participation in a joint venture established on or after January 1, 2002, and before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.

“(5) SUPPORT FOR THE DEVELOPMENT OF PETROLEUM RESOURCES AND REFINED PETROLEUM PRODUCTS IN IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

“(i) any of which has a fair market value of \$1,000,000 or more; or

“(ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more. Time period.

“(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or enhancement of Iran’s—

“(i) ability to develop petroleum resources located in Iran; or

“(ii) domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries or directly associated infrastructure, including construction of port facilities, railways, and roads, the primary use of which is to support the delivery of refined petroleum products.

“(6) DEVELOPMENT AND PURCHASE OF PETROCHEMICAL PRODUCTS FROM IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, sells, leases, or provides to Iran goods, services, technology, or support described in subparagraph (B)—

“(i) any of which has a fair market value of \$250,000 or more; or

“(ii) that, during a 12-month period, have an aggregate fair market value of \$1,000,000 or more. Time period.

“(B) GOODS, SERVICES, TECHNOLOGY, OR SUPPORT DESCRIBED.—Goods, services, technology, or support described in this subparagraph are goods, services, technology, or support that could directly and significantly contribute to the maintenance or expansion of Iran’s domestic production of petrochemical products.”

**SEC. 202. IMPOSITION OF SANCTIONS WITH RESPECT TO TRANSPORTATION OF CRUDE OIL FROM IRAN AND EVASION OF SANCTIONS BY SHIPPING COMPANIES.**

(a) IN GENERAL.—Section 5(a) of the Iran Sanctions Act of 1996, as amended by section 201, is further amended by adding at the end the following:

“(7) TRANSPORTATION OF CRUDE OIL FROM IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that—

“(i) the person is a controlling beneficial owner of, or otherwise owns, operates, or controls, or insures, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, was used to transport crude oil from Iran to another country; and

“(ii)(I) in the case of a person that is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used; or

“(II) in the case of a person that otherwise owns, operates, or controls, or insures, the vessel, the person knew or should have known the vessel was so used.

“(B) APPLICABILITY OF SANCTIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), subparagraph (A) shall apply with respect to the transportation of crude oil from Iran only if a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that there is a sufficient supply of petroleum and petroleum products produced in countries other than Iran to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect at the time of the transportation of the crude oil.

“(ii) EXCEPTION FOR CERTAIN COUNTRIES.—Subparagraph (A) shall not apply with respect to the transportation of crude oil from Iran to a country to which the exception under paragraph (4)(D) of section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)) to the imposition of sanctions under paragraph (1) of that section applies at the time of the transportation of the crude oil.

“(8) CONCEALING IRANIAN ORIGIN OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS.—

Time period.

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person is a controlling beneficial owner, or otherwise owns, operates, or controls, a vessel that, on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, is used, with actual knowledge in the case of a person that is a controlling beneficial owner or knowingly in the case of a person that otherwise owns, operates, or controls the vessel, in a manner that conceals the Iranian origin of crude oil or refined petroleum products transported on the vessel, including by—

“(i) permitting the operator of the vessel to suspend the operation of the vessel’s satellite tracking device; or

“(ii) obscuring or concealing the ownership, operation, or control of the vessel by—

“(I) the Government of Iran;

“(II) the National Iranian Tanker Company or the Islamic Republic of Iran Shipping Lines; or

“(III) any other entity determined by the President to be owned or controlled by the Government of Iran or an entity specified in subclause (II).

“(B) ADDITIONAL SANCTION.—Subject to such regulations as the President may prescribe and in addition to

the sanctions imposed under subparagraph (A), the President may prohibit a vessel owned, operated, or controlled by a person, including a controlling beneficial owner, with respect to which the President has imposed sanctions under that subparagraph and that was used for the activity for which the President imposed those sanctions from landing at a port in the United States for a period of not more than 2 years after the date on which the President imposed those sanctions.

“(C) VESSELS IDENTIFIED BY THE OFFICE OF FOREIGN ASSETS CONTROL.—For purposes of subparagraph (A)(ii), a person shall be deemed to have actual knowledge that a vessel is owned, operated, or controlled by the Government of Iran or an entity specified in subclause (II) or (III) of subparagraph (A)(ii) if the International Maritime Organization vessel registration identification for the vessel is—

“(i) included on a list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury for activities with respect to Iran; and

“(ii) identified by the Office of Foreign Assets Control as a vessel in which the Government of Iran or any entity specified in subclause (II) or (III) of subparagraph (A)(ii) has an interest.

“(D) DEFINITION OF IRANIAN ORIGIN.—For purposes of subparagraph (A), the term ‘Iranian origin’ means—

“(i) with respect to crude oil, that the crude oil was extracted in Iran; and

“(ii) with respect to a refined petroleum product, that the refined petroleum product was produced or refined in Iran.

“(9) EXCEPTION FOR PROVISION OF UNDERWRITING SERVICES AND INSURANCE AND REINSURANCE.—The President may not impose sanctions under paragraph (7) or (8) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not provide underwriting services or insurance or reinsurance for the transportation of crude oil or refined petroleum products from Iran in a manner for which sanctions may be imposed under either such paragraph.”

(b) REGULATIONS AND GUIDELINES.—Not later than 90 days after the date of the enactment of this Act, the President shall prescribe such regulations or guidelines as are necessary to implement paragraphs (7), (8), and (9) of section 5(a) of the Iran Sanctions Act of 1996, as added by this section, including such regulations or guidelines as are necessary to implement subparagraph (B) of such paragraph (8).

Deadline.  
50 USC 1701  
note.

**SEC. 203. EXPANSION OF SANCTIONS WITH RESPECT TO DEVELOPMENT BY IRAN OF WEAPONS OF MASS DESTRUCTION.**

(a) IN GENERAL.—Section 5(b) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) is amended—

- (1) by redesignating paragraph (2) as paragraph (3); and
- (2) by striking paragraph (1) and inserting the following:

“(1) EXPORTS, TRANSFERS, AND TRANSSHIPMENTS.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person—

“(A) on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, exported or transferred, or permitted or otherwise facilitated the transshipment of, any goods, services, technology, or other items to any other person; and

“(B) knew or should have known that—

“(i) the export, transfer, or transshipment of the goods, services, technology, or other items would likely result in another person exporting, transferring, transshipping, or otherwise providing the goods, services, technology, or other items to Iran; and

“(ii) the export, transfer, transshipment, or other provision of the goods, services, technology, or other items to Iran would contribute materially to the ability of Iran to—

“(I) acquire or develop chemical, biological, or nuclear weapons or related technologies; or

“(II) acquire or develop destabilizing numbers and types of advanced conventional weapons.

“(2) JOINT VENTURES RELATING TO THE MINING, PRODUCTION, OR TRANSPORTATION OF URANIUM.—

“(A) IN GENERAL.—Except as provided in subparagraph (B) or subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly participated, on or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, in a joint venture that involves any activity relating to the mining, production, or transportation of uranium—

“(i)(I) established on or after February 2, 2012;

and

“(II) with—

“(aa) the Government of Iran;

“(bb) an entity incorporated in Iran or subject to the jurisdiction of the Government of Iran; or

“(cc) a person acting on behalf of or at the direction of, or owned or controlled by, the Government of Iran or an entity described in item (bb); or

“(ii)(I) established before February 2, 2012;

“(II) with the Government of Iran, an entity described in item (bb) of clause (i)(II), or a person described in item (cc) of that clause; and

“(III) through which—

“(aa) uranium is transferred directly to Iran or indirectly to Iran through a third country;

“(bb) the Government of Iran receives significant revenue; or

“(cc) Iran could, through a direct operational role or by other means, receive technological knowledge or equipment not previously available to Iran that could contribute materially to the

ability of Iran to develop nuclear weapons or related technologies.

“(B) APPLICABILITY OF SANCTIONS.—Subparagraph (A) shall not apply with respect to participation in a joint venture established before the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012 if the person participating in the joint venture terminates that participation not later than the date that is 180 days after such date of enactment.”

Deadline.

(b) CONFORMING AMENDMENTS.—The Iran Sanctions Act of 1996, as amended by this section and sections 201 and 202, is further amended—

(1) in section 5—

(A) in paragraph (3) of subsection (b), as redesignated by subsection (a)(1) of this section—

(i) by striking “paragraph (1)” each place it appears and inserting “paragraph (1) or (2)”; and

(ii) in subparagraph (F)—

(I) by striking “that paragraph” and inserting “paragraph (1) or (2), as the case may be”; and

(II) by striking “the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010” and inserting “the Iran Threat Reduction and Syria Human Rights Act of 2012”;

(B) in subsection (c)—

(i) in the matter preceding paragraph (1), by striking “subsections (a) and (b)(1)” and inserting “subsection (a) and paragraphs (1) and (2) of subsection (b)”; and

(ii) in paragraph (1), by striking “subsection (a) or (b)(1)” and inserting “subsection (a) or paragraph (1) or (2) of subsection (b)”; and

(C) in subsection (f)—

(i) in the matter preceding paragraph (1), by striking “subsection (a) or (b)(1)” and inserting “subsection (a) or paragraph (1) or (2) of subsection (b)”; and

(ii) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in section 9, by striking “section 5(a) or 5(b)(1)” each place it appears and inserting “subsection (a) or paragraph (1) or (2) of subsection (b) of section 5”.

**SEC. 204. EXPANSION OF SANCTIONS AVAILABLE UNDER THE IRAN SANCTIONS ACT OF 1996.**

(a) IN GENERAL.—Section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) by redesignating paragraph (9) as paragraph (12); and

(2) by inserting after paragraph (8) the following:

“(9) BAN ON INVESTMENT IN EQUITY OR DEBT OF SANCTIONED PERSON.—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person.

“(10) EXCLUSION OF CORPORATE OFFICERS.—The President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United

States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, a sanctioned person.

“(11) SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.—The President may impose on the principal executive officer or officers of any sanctioned person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this subsection.”

Applicability.  
50 USC 1701  
note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to activities described in subsections (a) and (b) of section 5 of the Iran Sanctions Act of 1996, as amended by this title, commenced on or after such date of enactment.

**SEC. 205. MODIFICATION OF WAIVER STANDARD UNDER THE IRAN SANCTIONS ACT OF 1996.**

Section 9(c) of the Iran Sanctions Act of 1996, as amended by section 203, is further amended by striking paragraph (1) and inserting the following:

Reports.

“(1) AUTHORITY.—

“(A) SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN.—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in section 5(a) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is essential to the national security interests of the United States to exercise such waiver authority.

“(B) SANCTIONS RELATING TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in paragraph (1) or (2) of section 5(b) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is vital to the national security interests of the United States to exercise such waiver authority.

“(C) RENEWAL OF WAIVERS.—The President may renew, on a case-by-case basis, a waiver with respect to a person under subparagraph (A) or (B) for additional one-year periods if, not later than 30 days before the waiver expires, the President makes the determination and submits to the appropriate congressional committees the report described in subparagraph (A) or (B), as applicable.”

**SEC. 206. BRIEFINGS ON IMPLEMENTATION OF THE IRAN SANCTIONS ACT OF 1996.**

Section 4 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended by adding at the end the following:

Deadlines.

“(f) BRIEFINGS ON IMPLEMENTATION.—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and

Syria Human Rights Act of 2012, and every 120 days thereafter, the President, acting through the Secretary of State, shall provide to the appropriate congressional committees a comprehensive briefing on efforts to implement this Act.”.

**SEC. 207. EXPANSION OF DEFINITIONS UNDER THE IRAN SANCTIONS ACT OF 1996.**

(a) **IN GENERAL.**—Section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) is amended—

(1) by redesignating paragraphs (17) and (18) as paragraphs (20) and (21), respectively;

(2) by redesignating paragraphs (15) and (16) as paragraphs (17) and (18), respectively;

(3) by redesignating paragraphs (4) through (14) as paragraphs (5) through (15), respectively;

(4) by inserting after paragraph (3) the following:

“(4) **CREDIBLE INFORMATION.**—The term ‘credible information’, with respect to a person—

“(A) includes—

“(i) a public announcement by the person that the person has engaged in an activity described in subsection (a) or (b) of section 5; and

“(ii) information set forth in a report to stockholders of the person indicating that the person has engaged in such an activity; and

“(B) may include, in the discretion of the President—

“(i) an announcement by the Government of Iran that the person has engaged in such an activity; or

“(ii) information indicating that the person has engaged in such an activity that is set forth in—

“(I) a report of the Government Accountability Office, the Energy Information Administration, or the Congressional Research Service; or

“(II) a report or publication of a similarly reputable governmental organization or trade or industry organization.”;

(5) by inserting after paragraph (15), as redesignated by paragraph (3), the following:

“(16) **PETROCHEMICAL PRODUCT.**—The term ‘petrochemical product’ includes any aromatic, olefin, or synthesis gas, and any derivative of such a gas, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea.”; and

(6) by inserting after paragraph (18), as redesignated by paragraph (2), the following:

“(19) **SERVICES.**—The term ‘services’ includes software, hardware, financial, professional consulting, engineering, and specialized energy information services, energy-related technical assistance, and maintenance and repairs.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to activities described in subsections (a) and (b) of section 5 of the Iran Sanctions Act of 1996, as amended by this title, commenced on or after such date of enactment.

**SEC. 208. SENSE OF CONGRESS ON ENERGY SECTOR OF IRAN.**

It is the sense of Congress that—

(1) the energy sector of Iran remains a zone of proliferation concern since the Government of Iran continues to divert substantial revenues derived from sales of petroleum resources to finance its illicit nuclear and missile activities; and

(2) the President should apply the full range of sanctions under the Iran Sanctions Act of 1996, as amended by this Act, to address the threat posed by the Government of Iran.

## **Subtitle B—Additional Measures Relating to Sanctions Against Iran**

22 USC 8721.

### **SEC. 211. IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF VESSELS OR SHIPPING SERVICES TO TRANSPORT CERTAIN GOODS RELATED TO PROLIFERATION OR TERRORISM ACTIVITIES TO IRAN.**

(a) **IN GENERAL.**—Except as provided in subsection (c), if the President determines that a person, on or after the date of the enactment of this Act, knowingly sells, leases, or provides a vessel or provides insurance or reinsurance or any other shipping service for the transportation to or from Iran of goods that could materially contribute to the activities of the Government of Iran with respect to the proliferation of weapons of mass destruction or support for acts of international terrorism, the President shall, pursuant to Executive Order No. 13382 (70 Fed. Reg. 38567; relating to blocking of property of weapons of mass destruction proliferators and their supporters) or Executive Order No. 13224 (66 Fed. Reg. 49079; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism), or otherwise pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of the persons specified in subsection (b) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(b) **PERSONS SPECIFIED.**—The persons specified in this subsection are—

(1) the person that sold, leased, or provided a vessel or provided insurance or reinsurance or another shipping service described in subsection (a); and

(2) any person that—

(A) is a successor entity to the person referred to in paragraph (1);

(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) sold, leased, or provided the vessel or provided the insurance or reinsurance or other shipping service; or

(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the sale, lease, or provision of the vessel or the provision of the insurance or reinsurance or other shipping service.

(c) **WAIVER.**—The President may waive the requirement to impose sanctions with respect to a person under subsection (a) on or after the date that is 30 days after the President—

Time period.  
Reports.

(1) determines that such a waiver is vital to the national security interests of the United States; and

(2) submits to the appropriate congressional committees a report that contains the reasons for that determination.

(d) **REPORT REQUIRED.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of the Treasury, in coordination with the Secretary of State, shall submit to the appropriate congressional committees a report identifying operators of vessels and other persons that conduct or facilitate significant financial transactions with persons that manage ports in Iran that have been designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) **FORM OF REPORT.**—A report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(e) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to limit the authority of the President to designate persons for the imposition of sanctions pursuant to Executive Order No. 13382 (70 Fed. Reg. 38567; relating to the blocking of property of weapons of mass destruction proliferators and their supporters) or Executive Order No. 13224 (66 Fed. Reg. 49079; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism), or otherwise pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

**SEC. 212. IMPOSITION OF SANCTIONS WITH RESPECT TO PROVISION OF UNDERWRITING SERVICES OR INSURANCE OR REINSURANCE FOR THE NATIONAL IRANIAN OIL COMPANY OR THE NATIONAL IRANIAN TANKER COMPANY.**

22 USC 8722.

(a) **IN GENERAL.**—Except as provided in subsection (b), not later than 60 days after the date of the enactment of this Act, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204, with respect to a person if the President determines that the person knowingly, on or after such date of enactment, provides underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, or a successor entity to either such company.

Deadline.

(b) **EXCEPTIONS.**—

(1) **UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.**—The President is authorized not to impose sanctions under subsection (a) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not provide underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, or a successor entity to either such company.

(2) **FOOD; MEDICINE; HUMANITARIAN ASSISTANCE.**—The President may not impose sanctions under subsection (a) for the provision of underwriting services or insurance or reinsurance for any activity relating solely to—

(A) the provision of agricultural commodities, food, medicine, or medical devices to Iran; or

(B) the provision of humanitarian assistance to the people of Iran.

(3) **TERMINATION PERIOD.**—The President is authorized not to impose sanctions under subsection (a) with respect to a person if the President receives reliable assurances that the person will terminate the provision of underwriting services or insurance or reinsurance for the National Iranian Oil Company, the National Iranian Tanker Company, and any successor entity to either such company, not later than the date that is 120 days after the date of the enactment of this Act.

(c) **DEFINITIONS.**—In this section:

(1) **AGRICULTURAL COMMODITY.**—The term “agricultural commodity” has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(2) **MEDICAL DEVICE.**—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(3) **MEDICINE.**—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(d) **APPLICATION OF PROVISIONS OF IRAN SANCTIONS ACT OF 1996.**—The following provisions of the Iran Sanctions Act of 1996, as amended by this Act, apply with respect to the imposition of sanctions under subsection (a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

- (1) Subsection (c) of section 4.
- (2) Subsections (c), (d), and (f) of section 5.
- (3) Section 8.
- (4) Section 9.
- (5) Section 11.
- (6) Section 12.
- (7) Subsection (b) of section 13.
- (8) Section 14.

(e) **RULE OF CONSTRUCTION AND IMPLEMENTATION.**—Nothing in this section shall be construed to limit the authority of the President to impose sanctions pursuant to the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a), or any other provision of this Act.

22 USC 8723.

**SEC. 213. IMPOSITION OF SANCTIONS WITH RESPECT TO PURCHASE, SUBSCRIPTION TO, OR FACILITATION OF THE ISSUANCE OF IRANIAN SOVEREIGN DEBT.**

(a) **IN GENERAL.**—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204, with respect to a person if the President determines that the person knowingly, on or after

the date of the enactment of this Act, purchases, subscribes to, or facilitates the issuance of—

(1) sovereign debt of the Government of Iran issued on or after such date of enactment, including governmental bonds; or

(2) debt of any entity owned or controlled by the Government of Iran issued on or after such date of enactment, including bonds.

(b) APPLICATION OF PROVISIONS OF IRAN SANCTIONS ACT OF 1996.—The following provisions of the Iran Sanctions Act of 1996, as amended by this Act, apply with respect to the imposition of sanctions under subsection (a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

(1) Subsection (c) of section 4.

(2) Subsections (c), (d), and (f) of section 5.

(3) Section 8.

(4) Section 9.

(5) Section 11.

(6) Section 12.

(7) Subsection (b) of section 13.

(8) Section 14.

**SEC. 214. IMPOSITION OF SANCTIONS WITH RESPECT TO SUBSIDIARIES AND AGENTS OF PERSONS SANCTIONED BY UNITED NATIONS SECURITY COUNCIL RESOLUTIONS.**

(a) IN GENERAL.—Section 104(c)(2)(B) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(B)) is amended—

(1) by striking “of a person subject” and inserting the following: “of—

“(i) a person subject”;

(2) in clause (i), as designated by paragraph (1), by striking the semicolon and inserting “; or”; and

(3) by adding at the end the following:

“(ii) a person acting on behalf of or at the direction of, or owned or controlled by, a person described in clause (i);”.

(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall make such revisions to the regulations prescribed under section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513) as are necessary to carry out the amendments made by subsection (a).

Deadline.  
22 USC 8513  
note.

**SEC. 215. IMPOSITION OF SANCTIONS WITH RESPECT TO TRANSACTIONS WITH PERSONS SANCTIONED FOR CERTAIN ACTIVITIES RELATING TO TERRORISM OR PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.**

(a) IN GENERAL.—Section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)) is amended in the matter preceding subclause (I) by striking “financial institution” and inserting “person”.

(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall make such revisions to the regulations prescribed under section 104 of the Comprehensive Iran Sanctions, Accountability, and

Deadline.  
22 USC 8513  
note.

Divestment Act of 2010 (22 U.S.C. 8513) as are necessary to carry out the amendment made by subsection (a).

**SEC. 216. EXPANSION OF, AND REPORTS ON, MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN ACTIVITIES RELATING TO IRAN.**

(a) IN GENERAL.—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended by inserting after section 104 the following:

22 USC 8513b.

**“SEC. 104A. EXPANSION OF, AND REPORTS ON, MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN ACTIVITIES.**

Regulations.  
Applicability.

“(a) IN GENERAL.—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the Secretary of the Treasury shall revise the regulations prescribed under section 104(c)(1) to apply to a foreign financial institution described in subsection (b) to the same extent and in the same manner as those regulations apply to a foreign financial institution that the Secretary of the Treasury finds knowingly engages in an activity described in section 104(c)(2).

“(b) FOREIGN FINANCIAL INSTITUTIONS DESCRIBED.—A foreign financial institution described in this subsection is a foreign financial institution, including an Iranian financial institution, that the Secretary of the Treasury finds—

“(1) knowingly facilitates, or participates or assists in, an activity described in section 104(c)(2), including by acting on behalf of, at the direction of, or as an intermediary for, or otherwise assisting, another person with respect to the activity;

“(2) attempts or conspires to facilitate or participate in such an activity; or

“(3) is owned or controlled by a foreign financial institution that the Secretary finds knowingly engages in such an activity.

“(c) REPORTS REQUIRED.—

“(1) IN GENERAL.—Not later than 180 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, and every 180 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that contains a detailed description of—

“(A) the effect of the regulations prescribed under section 104(c)(1) on the financial system and economy of Iran and capital flows to and from Iran; and

“(B) the ways in which funds move into and out of financial institutions described in section 104(c)(2)(E)(ii), with specific attention to the use of other Iranian financial institutions and other foreign financial institutions to receive and transfer funds for financial institutions described in that section.

“(2) FORM OF REPORT.—Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

“(d) DEFINITIONS.—In this section:

“(1) FINANCIAL INSTITUTION.—The term ‘financial institution’ means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (M), (N), (R), or (Y) of section 5312(a)(2) of title 31, United States Code.

“(2) FOREIGN FINANCIAL INSTITUTION.—The term ‘foreign financial institution’ has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i).

“(3) IRANIAN FINANCIAL INSTITUTION.—The term ‘Iranian financial institution’ means—

“(A) a financial institution organized under the laws of Iran or any jurisdiction within Iran, including a foreign branch of such an institution;

“(B) a financial institution located in Iran;

“(C) a financial institution, wherever located, owned or controlled by the Government of Iran; and

“(D) a financial institution, wherever located, owned or controlled by a financial institution described in subparagraph (A), (B), or (C).”

(b) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 is amended by inserting after the item relating to section 104 the following:

“Sec. 104A. Expansion of, and reports on, mandatory sanctions with respect to financial institutions that engage in certain activities.”.

**SEC. 217. CONTINUATION IN EFFECT OF SANCTIONS WITH RESPECT TO THE GOVERNMENT OF IRAN, THE CENTRAL BANK OF IRAN, AND SANCTIONS EVADERS.** 22 USC 8724.

(a) SANCTIONS RELATING TO BLOCKING OF PROPERTY OF THE GOVERNMENT OF IRAN AND IRANIAN FINANCIAL INSTITUTIONS.—United States sanctions with respect to Iran provided for in Executive Order No. 13599 (77 Fed. Reg. 6659), as in effect on the day before the date of the enactment of this Act, shall remain in effect until the date that is 90 days after the date on which the President submits to the appropriate congressional committees the certification described in subsection (d). Deadline.

(b) SANCTIONS RELATING TO FOREIGN SANCTIONS EVADERS.—United States sanctions with respect to Iran provided for in Executive Order No. 13608 (77 Fed. Reg. 26409), as in effect on the day before the date of the enactment of this Act, shall remain in effect until the date that is 30 days after the date on which the President submits to the appropriate congressional committees the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)). Certification.

(c) CONTINUATION OF SANCTIONS WITH RESPECT TO THE CENTRAL BANK OF IRAN.—In addition to the sanctions referred to in subsection (a), the President shall continue to apply to the Central Bank of Iran sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), including blocking of property and restrictions or prohibitions on financial transactions and the exportation of property, until the date that is 90 days after the date on which the President submits to Congress the certification described in subsection (d). Deadline.

(d) CERTIFICATION DESCRIBED.—

(1) IN GENERAL.—The certification described in this subsection is the certification of the President to Congress that the Central Bank of Iran is not—

(A) providing financial services in support of, or otherwise facilitating, the ability of Iran to—

- (i) acquire or develop chemical, biological, or nuclear weapons, or related technologies;
- (ii) construct, equip, operate, or maintain nuclear facilities that could aid Iran’s effort to acquire a nuclear capability; or
- (iii) acquire or develop ballistic missiles, cruise missiles, or destabilizing types and amounts of conventional weapons; or
- (B) facilitating transactions or providing financial services for—
  - (i) Iran’s Revolutionary Guard Corps; or
  - (ii) financial institutions the property or interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) in connection with—
    - (I) Iran’s proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or
    - (II) Iran’s support for international terrorism.
- (2) SUBMISSION TO CONGRESS.—
  - (A) IN GENERAL.—The President shall submit the certification described in paragraph (1) to the appropriate congressional committees in writing and shall include a justification for the certification.
  - (B) FORM OF CERTIFICATION.—The certification described in paragraph (1) shall be submitted in unclassified form but may contain a classified annex.
- (e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the President pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.).

22 USC 8725.

**SEC. 218. LIABILITY OF PARENT COMPANIES FOR VIOLATIONS OF SANCTIONS BY FOREIGN SUBSIDIARIES.**

- (a) DEFINITIONS.—In this section:
  - (1) ENTITY.—The term “entity” means a partnership, association, trust, joint venture, corporation, or other organization.
  - (2) OWN OR CONTROL.—The term “own or control” means, with respect to an entity—
    - (A) to hold more than 50 percent of the equity interest by vote or value in the entity;
    - (B) to hold a majority of seats on the board of directors of the entity; or
    - (C) to otherwise control the actions, policies, or personnel decisions of the entity.

Deadline.

- (b) PROHIBITION.—Not later than 60 days after the date of the enactment of this Act, the President shall prohibit an entity owned or controlled by a United States person and established or maintained outside the United States from knowingly engaging in any transaction directly or indirectly with the Government of Iran or any person subject to the jurisdiction of the Government of Iran that would be prohibited by an order or regulation issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) if the transaction were engaged in by a United States person or in the United States.

(c) CIVIL PENALTY.—The civil penalties provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a United States person to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act if an entity owned or controlled by the United States person and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of any order or regulation issued to implement subsection (b). Applicability.

(d) APPLICABILITY.—Subsection (c) shall not apply with respect to a transaction described in subsection (b) by an entity owned or controlled by a United States person and established or maintained outside the United States if the United States person divests or terminates its business with the entity not later than the date that is 180 days after the date of the enactment of this Act.

**SEC. 219. DISCLOSURES TO THE SECURITIES AND EXCHANGE COMMISSION RELATING TO SANCTIONABLE ACTIVITIES.**

(a) IN GENERAL.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following new subsection:

“(r) DISCLOSURE OF CERTAIN ACTIVITIES RELATING TO IRAN.—

“(1) IN GENERAL.—Each issuer required to file an annual or quarterly report under subsection (a) shall disclose in that report the information required by paragraph (2) if, during the period covered by the report, the issuer or any affiliate of the issuer—

“(A) knowingly engaged in an activity described in subsection (a) or (b) of section 5 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note);

“(B) knowingly engaged in an activity described in subsection (c)(2) of section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513) or a transaction described in subsection (d)(1) of that section;

“(C) knowingly engaged in an activity described in section 105A(b)(2) of that Act; or

“(D) knowingly conducted any transaction or dealing with—

“(i) any person the property and interests in property of which are blocked pursuant to Executive Order No. 13224 (66 Fed. Reg. 49079; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism);

“(ii) any person the property and interests in property of which are blocked pursuant to Executive Order No. 13382 (70 Fed. Reg. 38567; relating to blocking of property of weapons of mass destruction proliferators and their supporters); or

“(iii) any person or entity identified under section 560.304 of title 31, Code of Federal Regulations (relating to the definition of the Government of Iran) without the specific authorization of a Federal department or agency.

“(2) INFORMATION REQUIRED.—If an issuer or an affiliate of the issuer has engaged in any activity described in paragraph

(1), the issuer shall disclose a detailed description of each such activity, including—

“(A) the nature and extent of the activity;

“(B) the gross revenues and net profits, if any, attributable to the activity; and

“(C) whether the issuer or the affiliate of the issuer (as the case may be) intends to continue the activity.

“(3) NOTICE OF DISCLOSURES.—If an issuer reports under paragraph (1) that the issuer or an affiliate of the issuer has knowingly engaged in any activity described in that paragraph, the issuer shall separately file with the Commission, concurrently with the annual or quarterly report under subsection (a), a notice that the disclosure of that activity has been included in that annual or quarterly report that identifies the issuer and contains the information required by paragraph (2).

“(4) PUBLIC DISCLOSURE OF INFORMATION.—Upon receiving a notice under paragraph (3) that an annual or quarterly report includes a disclosure of an activity described in paragraph (1), the Commission shall promptly—

“(A) transmit the report to—

“(i) the President;

“(ii) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

“(iii) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

Web posting.

“(B) make the information provided in the disclosure and the notice available to the public by posting the information on the Internet website of the Commission.

“(5) INVESTIGATIONS.—Upon receiving a report under paragraph (4) that includes a disclosure of an activity described in paragraph (1) (other than an activity described in subparagraph (D)(iii) of that paragraph), the President shall—

“(A) initiate an investigation into the possible imposition of sanctions under the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note), section 104 or 105A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, an Executive order specified in clause (i) or (ii) of paragraph (1)(D), or any other provision of law relating to the imposition of sanctions with respect to Iran, as applicable; and

Deadline.

“(B) not later than 180 days after initiating such an investigation, make a determination with respect to whether sanctions should be imposed with respect to the issuer or the affiliate of the issuer (as the case may be).

“(6) SUNSET.—The provisions of this subsection shall terminate on the date that is 30 days after the date on which the President makes the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).”

15 USC 78m note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to reports required to be filed with the Securities and Exchange Commission after the date that is 180 days after the date of the enactment of this Act.

**SEC. 220. REPORTS ON, AND AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO, THE PROVISION OF SPECIALIZED FINANCIAL MESSAGING SERVICES TO THE CENTRAL BANK OF IRAN AND OTHER SANCTIONED IRANIAN FINANCIAL INSTITUTIONS.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that— 22 USC 8726.

(1) providers of specialized financial messaging services are a critical link to the international financial system;

(2) the European Union is to be commended for strengthening the multilateral sanctions regime against Iran by deciding that specialized financial messaging services may not be provided to the Central Bank of Iran and other sanctioned Iranian financial institutions by persons subject to the jurisdiction of the European Union; and

(3) the loss of access by sanctioned Iranian financial institutions to specialized financial messaging services must be maintained.

(b) REPORTS REQUIRED.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that contains—

(A) a list of all persons that the Secretary has identified that directly provide specialized financial messaging services to, or enable or facilitate direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)); and

(B) a detailed assessment of the status of efforts by the Secretary to end the direct provision of such messaging services to, and the enabling or facilitation of direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in that section.

(2) ENABLING OR FACILITATION OF ACCESS TO SPECIALIZED FINANCIAL MESSAGING SERVICES THROUGH INTERMEDIARY FINANCIAL INSTITUTIONS.—For purposes of paragraph (1) and subsection (c), enabling or facilitating direct or indirect access to specialized financial messaging services for the Central Bank of Iran or a financial institution described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)) includes doing so by serving as an intermediary financial institution with access to such messaging services.

(3) FORM OF REPORT.—A report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(c) AUTHORIZATION OF IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), if, on or after the date that is 90 days after the date of the enactment of this Act, a person continues to knowingly and directly provide specialized financial messaging services to, or knowingly enable or facilitate direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in paragraph (2)(E)(ii) of section 104(c) of the Comprehensive Iran Sanctions, Accountability, and

Divestment Act of 2010 (22 U.S.C. 8513(c)), the President may impose sanctions pursuant to that section or the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to the person.

(2) EXCEPTION.—The President may not impose sanctions pursuant to paragraph (1) with respect to a person for directly providing specialized financial messaging services to, or enabling or facilitating direct or indirect access to such messaging services for, the Central Bank of Iran or a financial institution described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)) if—

(A) the person is subject to a sanctions regime under its governing foreign law that requires it to eliminate the knowing provision of such messaging services to, and the knowing enabling and facilitation of direct or indirect access to such messaging services for—

- (i) the Central Bank of Iran; and
- (ii) a group of Iranian financial institutions identified under such governing foreign law for purposes of that sanctions regime if the President determines that—

(I) the group is substantially similar to the group of financial institutions described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii)); and

(II) the differences between those groups of financial institutions do not adversely affect the national interest of the United States; and

(B) the person has, pursuant to that sanctions regime, terminated the knowing provision of such messaging services to, and the knowing enabling and facilitation of direct or indirect access to such messaging services for, the Central Bank of Iran and each Iranian financial institution identified under such governing foreign law for purposes of that sanctions regime.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the President pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.).

22 USC 8727.

**SEC. 221. IDENTIFICATION OF, AND IMMIGRATION RESTRICTIONS ON, SENIOR OFFICIALS OF THE GOVERNMENT OF IRAN AND THEIR FAMILY MEMBERS.**

Deadline.  
Publication.  
Lists.

(a) IDENTIFICATION.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the President shall publish a list of each individual the President determines is—

(1) a senior official of the Government of Iran described in subsection (b) that is involved in Iran’s—

(A) illicit nuclear activities or proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(B) support for international terrorism; or

(C) commission of serious human rights abuses against citizens of Iran or their family members; or  
 (2) a family member of such an official.

(b) SENIOR OFFICIALS OF THE GOVERNMENT OF IRAN DESCRIBED.—A senior official of the Government of Iran described in this subsection is any senior official of that Government, including—

- (1) the Supreme Leader of Iran;
- (2) the President of Iran;
- (3) a member of the Cabinet of the Government of Iran;
- (4) a member of the Assembly of Experts;
- (5) a senior member of the Intelligence Ministry of Iran;

or

(6) a senior member of Iran’s Revolutionary Guard Corps, including a senior member of a paramilitary organization such as Ansar-e-Hezbollah or Basij-e Motaz’afin.

(c) EXCLUSION FROM UNITED STATES.—Except as provided in subsection (d), the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien who is on the list required by subsection (a).

(d) EXCEPTION TO COMPLY WITH UNITED NATIONS HEAD-QUARTERS AGREEMENT.—Subsection (c) shall not apply to an individual if admitting the individual to the United States is necessary to permit the United States to comply with the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, and other applicable international obligations.

(e) WAIVER.—The President may waive the application of subsection (a) or (c) with respect to an individual if the President—

- (1) determines that such a waiver is essential to the national interests of the United States; and
- (2) not less than 7 days before the waiver takes effect, notifies Congress of the waiver and the reason for the waiver.

Deadline.  
Notification.

**SEC. 222. SENSE OF CONGRESS AND RULE OF CONSTRUCTION RELATING TO CERTAIN AUTHORITIES OF STATE AND LOCAL GOVERNMENTS.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should support actions by States or local governments that are within their authority, including determining how investment assets are valued for purposes of safety and soundness of financial institutions and insurers, that are consistent with and in furtherance of the purposes of this Act and other Acts that are amended by this Act.

(b) RULE OF CONSTRUCTION.—Section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8532) is amended by adding at the end the following:

“(j) RULE OF CONSTRUCTION.—Nothing in this Act or any other provision of law authorizing sanctions with respect to Iran shall be construed to abridge the authority of a State to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction or the business of insurance pursuant to the Act of March 9, 1945 (15 U.S.C. 1011 et seq.) (commonly known as the ‘McCarran-Ferguson Act’).”

**SEC. 223. GOVERNMENT ACCOUNTABILITY OFFICE REPORT ON FOREIGN ENTITIES THAT INVEST IN THE ENERGY SECTOR OF IRAN OR EXPORT REFINED PETROLEUM PRODUCTS TO IRAN.**

(a) INITIAL REPORT.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the appropriate congressional committees a report—

(A) listing all foreign investors in the energy sector of Iran during the period specified in paragraph (2), including—

(i) entities that exported gasoline and other refined petroleum products to Iran;

(ii) entities involved in providing refined petroleum products to Iran, including—

(I) entities that provided ships to transport refined petroleum products to Iran; and

(II) entities that provided insurance or reinsurance for shipments of refined petroleum products to Iran; and

(iii) entities involved in commercial transactions of any kind, including joint ventures anywhere in the world, with Iranian energy companies; and

(B) identifying the countries in which gasoline and other refined petroleum products exported to Iran during the period specified in paragraph (2) were produced or refined.

(2) PERIOD SPECIFIED.—The period specified in this paragraph is the period beginning on January 1, 2009, and ending on the date that is 150 days after the date of the enactment of this Act.

Time period.

(b) UPDATED REPORT.—Not later than one year after submitting the report required by subsection (a), the Comptroller General of the United States shall submit to the appropriate congressional committees a report containing the matters required in the report under subsection (a)(1) for the one-year period beginning on the date that is 30 days before the date on which the preceding report was required to be submitted by this section.

**SEC. 224. REPORTING ON THE IMPORTATION TO AND EXPORTATION FROM IRAN OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS.**

Section 110(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8518(b)) is amended by striking “a report containing the matters” and all that follows through the period at the end and inserting the following: “a report, covering the 180-day period beginning on the date that is 30 days before the date on which the preceding report was required to be submitted by this section, that—

“(1) contains the matters required in the report under subsection (a)(1); and

“(2) identifies—

“(A) the volume of crude oil and refined petroleum products imported to and exported from Iran (including through swaps and similar arrangements);

“(B) the persons selling and transporting crude oil and refined petroleum products described in subparagraph (A), the countries with primary jurisdiction over those persons, and the countries in which those products were refined;

“(C) the sources of financing for imports to Iran of crude oil and refined petroleum products described in subparagraph (A); and

“(D) the involvement of foreign persons in efforts to assist Iran in—

“(i) developing upstream oil and gas production capacity;

“(ii) importing advanced technology to upgrade existing Iranian refineries;

“(iii) converting existing chemical plants to petroleum refineries; or

“(iv) maintaining, upgrading, or expanding existing refineries or constructing new refineries.”.

**TITLE III—SANCTIONS WITH RESPECT TO IRAN’S REVOLUTIONARY GUARD CORPS**

President.  
Determinations.

**Subtitle A—Identification of, and Sanctions With Respect to, Officials, Agents, Affiliates, and Supporters of Iran’s Revolutionary Guard Corps and Other Sanctioned Persons**

**SEC. 301. IDENTIFICATION OF, AND IMPOSITION OF SANCTIONS WITH RESPECT TO, OFFICIALS, AGENTS, AND AFFILIATES OF IRAN’S REVOLUTIONARY GUARD CORPS.**

22 USC 8741.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and as appropriate thereafter, the President shall—

Deadline.

(1) identify foreign persons that are officials, agents, or affiliates of Iran’s Revolutionary Guard Corps; and

(2) for each foreign person identified under paragraph (1) that is not already designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)—

(A) designate that foreign person for the imposition of sanctions pursuant to that Act; and

(B) block and prohibit all transactions in all property and interests in property of that foreign person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(b) PRIORITY FOR INVESTIGATION.—In identifying foreign persons pursuant to subsection (a)(1) as officials, agents, or affiliates of Iran’s Revolutionary Guard Corps, the President shall give priority to investigating—

(1) foreign persons or entities identified under section 560.304 of title 31, Code of Federal Regulations (relating to the definition of the Government of Iran); and

(2) foreign persons for which there is a reasonable basis to find that the person has conducted or attempted to conduct one or more sensitive transactions or activities described in subsection (c).

(c) SENSITIVE TRANSACTIONS AND ACTIVITIES DESCRIBED.—A sensitive transaction or activity described in this subsection is—

(1) a financial transaction or series of transactions valued at more than \$1,000,000 in the aggregate in any 12-month period involving a non-Iranian financial institution;

(2) a transaction to facilitate the manufacture, importation, exportation, or transfer of items needed for the development by Iran of nuclear, chemical, biological, or advanced conventional weapons, including ballistic missiles;

(3) a transaction relating to the manufacture, procurement, or sale of goods, services, and technology relating to Iran's energy sector, including a transaction relating to the development of the energy resources of Iran, the exportation of petroleum products from Iran, the importation of refined petroleum to Iran, or the development of refining capacity available to Iran;

(4) a transaction relating to the manufacture, procurement, or sale of goods, services, and technology relating to Iran's petrochemical sector; or

(5) a transaction relating to the procurement of sensitive technologies (as defined in section 106(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8515(c))).

(d) EXCLUSION FROM UNITED STATES.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien who, on or after the date of the enactment of this Act, is a foreign person designated pursuant to subsection (a) for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) REGULATORY EXCEPTIONS TO COMPLY WITH INTERNATIONAL OBLIGATIONS.—The requirement to deny visas to and exclude aliens from the United States pursuant to paragraph (1) shall be subject to such regulations as the President may prescribe, including regulatory exceptions to permit the United States to comply with the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, and other applicable international obligations.

(e) WAIVER OF IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President may waive the application of subsection (a) or (d) with respect to a foreign person if the President—

(A) determines that it is vital to the national security interests of the United States to do so; and

(B) submits to the appropriate congressional committees a report that—

Reports.

(i) identifies the foreign person with respect to which the waiver applies; and

(ii) sets forth the reasons for the determination.

(2) **FORM OF REPORT.**—A report submitted under paragraph (1)(B) shall be submitted in unclassified form but may contain a classified annex.

(f) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to remove any sanction of the United States in force with respect to Iran’s Revolutionary Guard Corps as of the date of the enactment of this Act.

**SEC. 302. IDENTIFICATION OF, AND IMPOSITION OF SANCTIONS WITH RESPECT TO, PERSONS THAT SUPPORT OR CONDUCT CERTAIN TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS OR OTHER SANCTIONED PERSONS.** 22 USC 8742.

(a) **IDENTIFICATION.**—

(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report identifying foreign persons that the President determines, on or after the date of the enactment of this Act, knowingly—

(A) materially assist, sponsor, or provide financial, material, or technological support for, or goods or services in support of, Iran’s Revolutionary Guard Corps or any of its officials, agents, or affiliates the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.);

(B) engage in a significant transaction or transactions with Iran’s Revolutionary Guard Corps or any of its officials, agents, or affiliates—

(i) the property and interests in property of which are blocked pursuant to that Act; or

(ii) that are identified under section 301(a)(1) or pursuant to paragraph (4)(A) of section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 312; or

(C) engage in a significant transaction or transactions with—

(i) a person subject to financial sanctions pursuant to United Nations Security Council Resolution 1737 (2006), 1747 (2007), 1803 (2008), or 1929 (2010), or any other resolution that is adopted by the Security Council and imposes sanctions with respect to Iran or modifies such sanctions; or

(ii) a person acting on behalf of or at the direction of, or owned or controlled by, a person described in clause (i).

(2) **FORM OF REPORT.**—A report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(3) **BARTER TRANSACTIONS.**—For purposes of paragraph (1), the term “transaction” includes a barter transaction.

(b) **IMPOSITION OF SANCTIONS.**—If the President determines under subsection (a)(1) that a foreign person has knowingly engaged in an activity described in that subsection, the President—

(1) shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996, as amended by section 204; and

(2) may impose additional sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to the person.

(c) TERMINATION.—The President may terminate a sanction imposed with respect to a foreign person pursuant to subsection (b) if the President determines that the person—

(1) no longer engages in the activity for which the sanction was imposed; and

(2) has provided assurances to the President that the person will not engage in any activity described in subsection (a)(1) in the future.

(d) WAIVER OF IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under subsection (b) with respect to a foreign person if the President—

(A)(i) determines that the person has ceased the activity for which sanctions would otherwise be imposed and has taken measures to prevent a recurrence of the activity; or

(ii) determines that it is essential to the national security interests of the United States to do so; and

(B) submits to the appropriate congressional committees a report that—

(i) identifies the foreign person with respect to which the waiver applies;

(ii) describes the activity that would otherwise subject the foreign person to the imposition of sanctions under subsection (b); and

(iii) sets forth the reasons for the determination.

(2) FORM OF REPORT.—A report submitted under paragraph (1)(B) shall be submitted in unclassified form but may contain a classified annex.

(e) WAIVER OF IDENTIFICATIONS AND DESIGNATIONS.—Notwithstanding any other provision of this subtitle and subject to paragraph (2), the President shall not be required to make any identification of a foreign person under subsection (a) or any identification or designation of a foreign person under section 301(a) if the President—

(1) determines that doing so would cause damage to the national security of the United States; and

(2) notifies the appropriate congressional committees of the exercise of the authority provided under this subsection.

(f) APPLICATION OF PROVISIONS OF IRAN SANCTIONS ACT OF 1996.—The following provisions of the Iran Sanctions Act of 1996, as amended by this Act, apply with respect to the imposition under subsection (b)(1) of sanctions relating to activities described in subsection (a)(1) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

(1) Subsections (c) and (e) of section 4.

(2) Subsections (c), (d), and (f) of section 5.

(3) Section 8.

(4) Section 9.

(5) Section 11.

Reports.

Notification.

- (6) Section 12.
- (7) Subsection (b) of section 13.
- (8) Section 14.

**SEC. 303. IDENTIFICATION OF, AND IMPOSITION OF MEASURES WITH RESPECT TO, FOREIGN GOVERNMENT AGENCIES CARRYING OUT ACTIVITIES OR TRANSACTIONS WITH CERTAIN IRAN-AFFILIATED PERSONS.** 22 USC 8743.

(a) IDENTIFICATION.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report that identifies each agency of the government of a foreign country (other than Iran) that the President determines knowingly and materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, or knowingly and materially engaged in a significant transaction with, any person described in paragraph (2).

Deadlines.  
Reports.

(2) PERSON DESCRIBED.—A person described in this paragraph is—

(A) a foreign person that is an official, agent, or affiliate of Iran’s Revolutionary Guard Corps that is designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.);

(B) a foreign person that is designated and subject to financial sanctions pursuant to—

(i) the Annex of United Nations Security Council Resolution 1737 (2006);

(ii) Annex I of United Nations Security Council Resolution 1747 (2007);

(iii) Annex I, II, or III of United Nations Security Council Resolution 1803 (2008);

(iv) Annex I, II, or III of United Nations Security Council Resolution 1929 (2010); or

(v) any subsequent and related United Nations Security Council resolution, or any annex thereto, that imposes new sanctions with respect to Iran or modifies existing sanctions with respect to Iran; or

(C) a foreign person that the agency knows is acting on behalf of or at the direction of, or owned or controlled by, a person described in subparagraph (A) or (B).

(3) FORM OF REPORT.—Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(b) IMPOSITION OF MEASURES.—

(1) IN GENERAL.—The President may impose any of the following measures with respect to an agency identified pursuant to subsection (a) if the President determines that the assistance, exports, or other support to be prohibited by reason of the imposition of the measures have contributed and would otherwise directly or indirectly contribute to the agency’s capability to continue the activities or transactions for which the agency has been identified pursuant to subsection (a):

(A) No assistance may be provided to the agency under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et

seq.) or the Arms Export Control Act (22 U.S.C. 2751 et seq.) other than humanitarian assistance or the provision of food or other agricultural commodities.

(B) No sales of any defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.) may be made to the agency.

(C) No licenses for export of any item on the United States Munitions List that include the agency as a party to the license may be granted.

(D) No exports may be permitted to the agency of any goods or technologies controlled for national security reasons under the Export Administration Regulations, except that such prohibition shall not apply to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.; relating to congressional oversight of intelligence activities).

(E) The United States shall oppose any loan or financial or technical assistance to the agency by international financial institutions in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d).

(F) The United States shall deny to the agency any credit or financial assistance by any department, agency, or instrumentality of the United States Government, except that this paragraph shall not apply—

(i) to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.; relating to congressional oversight of intelligence activities);

(ii) to the provision of medicines, medical equipment, and humanitarian assistance; or

(iii) to any credit, credit guarantee, or financial assistance provided by the Department of Agriculture to support the purchase of food or other agricultural commodities.

(G) Additional restrictions as may be imposed pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed to impose measures with respect to programs under section 1501 of the National Defense Authorization Act for Fiscal Year 1997 (50 U.S.C. 2632 note) and programs under the Atomic Energy Defense Act (50 U.S.C. 2501 et seq.).

Notification.

(c) **TERMINATION.**—The President may terminate any measures imposed with respect to an agency pursuant to subsection (b) if the President determines and notifies the appropriate congressional committees that—

(1)(A) a person described in subparagraph (A) or (B) of subsection (a)(2) with respect to which the agency is carrying out activities or transactions is no longer designated pursuant to subparagraph (A) or (B) of subsection (a)(2); or

(B) any person described in subparagraph (C) of subsection (a)(2) with respect to which the agency is carrying out activities or transactions is no longer acting on behalf of or at the direction of, or owned or controlled by, any person described in subparagraph (A) or (B) of subsection (a)(2);

(2) the agency is no longer carrying out activities or transactions for which the measures were imposed and has provided assurances to the United States Government that the agency will not carry out the activities or transactions in the future; or

(3) it is essential to the national security interest of the United States to terminate such measures.

(d) **WAIVER.**—If the President does not impose one or more measures described in subsection (b) with respect to an agency identified in the report required by subsection (a), the President shall include in the subsequent report an explanation as to why the President did not impose such measures.

(e) **DEFINITION.**—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Relations, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, and the Select Committee on Intelligence of the Senate; and

(2) the Committee on Foreign Affairs, the Committee on Appropriations, the Committee on Armed Services, the Committee on Financial Services, the Committee on Ways and Means, and the Permanent Select Committee on Intelligence of the House of Representatives.

(f) **EFFECTIVE DATE.**—This section shall take effect on the date of the enactment of this Act and apply with respect to activities and transactions described in subsection (a) that are carried out on or after the later of—

Applicability.

(1) the date that is 45 days after such date of enactment; or

(2) the date that is 45 days after a person is designated as described in subparagraph (A) or (B) of subsection (a)(2).

**SEC. 304. RULE OF CONSTRUCTION.**

22 USC 8744.

Nothing in this subtitle shall be construed to limit the authority of the President to designate foreign persons for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

## **Subtitle B—Additional Measures Relating to Iran’s Revolutionary Guard Corps**

**SEC. 311. EXPANSION OF PROCUREMENT PROHIBITION TO FOREIGN PERSONS THAT ENGAGE IN CERTAIN TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS.**

(a) **IN GENERAL.**—Section 6(b)(1) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) by striking “Not later than 90 days” and inserting the following:

“(A) CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.—Not later than 90 days”; and

(2) by adding at the end the following:

“(B) CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS.—Not later than 120 days after the date of the enactment of the Iran Threat

Deadline.

Reduction and Syria Human Rights Act of 2012, the Federal Acquisition Regulation shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not knowingly engage in a significant transaction or transactions with Iran’s Revolutionary Guard Corps or any of its officials, agents, or affiliates the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).”

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 6(b) of the Iran Sanctions Act of 1996, as amended by subsection (a), is further amended—

(A) in subparagraph (A) of paragraph (1), as designated by subsection (a)(1), by striking “issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421)”;

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking “the revision” and inserting “the applicable revision”; and

(II) by striking “not more than 3 years” and inserting “not less than 2 years”; and

(ii) in subparagraph (B), by striking “issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421)”;

(C) in paragraph (5), by striking “in the national interest” and inserting “essential to the national security interests”;

(D) by striking paragraph (6) and inserting the following:

“(6) DEFINITIONS.—In this subsection:

“(A) EXECUTIVE AGENCY.—The term ‘executive agency’ has the meaning given that term in section 133 of title 41, United States Code.

“(B) FEDERAL ACQUISITION REGULATION.—The term ‘Federal Acquisition Regulation’ means the regulation issued pursuant to section 1303(a)(1) of title 41, United States Code.”; and

(E) in paragraph (7)—

(i) by striking “The revisions to the Federal Acquisition Regulation required under paragraph (1)” and inserting the following:

“(A) CERTIFICATIONS RELATING TO ACTIVITIES DESCRIBED IN SECTION 5.—The revisions to the Federal Acquisition Regulation required under paragraph (1)(A); and

(ii) by adding at the end the following:

“(B) CERTIFICATIONS RELATING TO TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS.—The revisions to the Federal Acquisition Regulation required under paragraph (1)(B) shall apply with respect to contracts for which solicitations are issued on or after the date that is 120 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.”

(2) Section 101(3) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511(3))

Applicability.  
Effective date.

is amended by striking “section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)” and inserting “section 133 of title 41, United States Code”.

**SEC. 312. DETERMINATIONS OF WHETHER THE NATIONAL IRANIAN OIL COMPANY AND THE NATIONAL IRANIAN TANKER COMPANY ARE AGENTS OR AFFILIATES OF IRAN’S REVOLUTIONARY GUARD CORPS.**

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that the National Iranian Oil Company and the National Iranian Tanker Company are not only owned and controlled by the Government of Iran but that those companies provide significant support to Iran’s Revolutionary Guard Corps and its affiliates.

(b) **DETERMINATIONS.**—Section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)) is amended by adding at the end the following:

“(4) **DETERMINATIONS REGARDING NIOC AND NITC.**—

“(A) **DETERMINATIONS.**—For purposes of paragraph (2)(E), the Secretary of the Treasury shall, not later than 45 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012—

Deadline.

“(i) determine whether the NIOC or the NITC is an agent or affiliate of Iran’s Revolutionary Guard Corps; and

“(ii) submit to the appropriate congressional committees a report on the determinations made under clause (i), together with the reasons for those determinations.

“(B) **FORM OF REPORT.**—A report submitted under subparagraph (A)(ii) shall be submitted in unclassified form but may contain a classified annex.

“(C) **APPLICABILITY WITH RESPECT TO PETROLEUM TRANSACTIONS.**—

“(i) **APPLICATION OF SANCTIONS.**—Except as provided in clause (ii), if the Secretary of the Treasury determines that the NIOC or the NITC is a person described in clause (i) or (ii) of paragraph (2)(E), the regulations prescribed under paragraph (1) shall apply with respect to a significant transaction or transactions or significant financial services knowingly facilitated or provided by a foreign financial institution for the NIOC or the NITC, as applicable, for the purchase of petroleum or petroleum products from Iran, only if a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that there is a sufficient supply of petroleum and petroleum products produced in countries other than Iran to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect at the time of the transaction or the provision of the service.

“(ii) **EXCEPTION FOR CERTAIN COUNTRIES.**—If the Secretary of the Treasury determines that the NIOC or the NITC is a person described in clause (i) or (ii) of paragraph (2)(E), the regulations prescribed under paragraph (1) shall not apply to a significant

transaction or transactions or significant financial services knowingly facilitated or provided by a foreign financial institution for the NIOC or the NITC, as applicable, for the purchase of petroleum or petroleum products from Iran if an exception under paragraph (4)(D) of section 1245(d) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)) applies to the country with primary jurisdiction over the foreign financial institution at the time of the transaction or the provision of the service.

“(iii) RULE OF CONSTRUCTION.—The exceptions in clauses (i) and (ii) shall not be construed to limit the authority of the Secretary of the Treasury to impose sanctions pursuant to the regulations prescribed under paragraph (1) for an activity described in paragraph (2) to the extent the activity would meet the criteria described in that paragraph in the absence of the involvement of the NIOC or the NITC.

“(D) DEFINITIONS.—In this paragraph:

“(i) NIOC.—The term ‘NIOC’ means the National Iranian Oil Company.

“(ii) NITC.—The term ‘NITC’ means the National Iranian Tanker Company.”.

(c) CONFORMING AMENDMENTS.—

(1) WAIVER.—Section 104(f) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(f)) is amended by inserting “or section 104A” after “subsection (c)”.

(2) CLASSIFIED INFORMATION.—Section 104(g) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(g)) is amended by striking “subsection (c)(1)” and inserting “paragraph (1) or (4) of subsection (c) or section 104A” both places it appears.

(d) APPLICABILITY.—

(1) IN GENERAL.—If an exception to sanctions described in clause (i) or (ii) of paragraph (4)(C) of section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by subsection (b), applies to a person that engages in a transaction described in paragraph (2) at the time of the transaction, the President is authorized not to impose sanctions with respect to the transaction under—

(A) section 302(b)(1);

(B) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 216; or

(C) any other applicable provision of law authorizing the imposition of sanctions with respect to Iran.

(2) TRANSACTION DESCRIBED.—A transaction described in this paragraph is a transaction—

(A) solely for the purchase of petroleum or petroleum products from Iran; and

(B) for which sanctions may be imposed solely as a result of the involvement of the National Iranian Oil Company or the National Iranian Tanker Company in the transaction under—

(i) section 302(b)(1);

(ii) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 216; or

(iii) any other applicable provision of law authorizing the imposition of sanctions with respect to Iran.

## **TITLE IV—MEASURES RELATING TO HUMAN RIGHTS ABUSES IN IRAN**

### **Subtitle A—Expansion of Sanctions Relating to Human Rights Abuses in Iran**

#### **SEC. 401. IMPOSITION OF SANCTIONS ON CERTAIN PERSONS RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF IRAN OR THEIR FAMILY MEMBERS AFTER THE JUNE 12, 2009, ELECTIONS IN IRAN.**

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that the Supreme Leader of Iran, the President of Iran, senior members of the Intelligence Ministry of Iran, senior members of Iran’s Revolutionary Guard Corps, Ansar-e-Hezbollah and Basij-e-Mostaz’afin, and the Ministers of Defense, Interior, Justice, and Telecommunications are ultimately responsible for ordering, controlling, or otherwise directing a pattern and practice of serious human rights abuses against the Iranian people, and thus the President should include such persons on the list of persons who are responsible for or complicit in committing serious human rights abuses and subject to sanctions pursuant to section 105 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514).

(b) **REPORT.**—

(1) **REPORT REQUIRED.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a detailed report with respect to whether each person described in subsection (a) is responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009, regardless of whether such abuses occurred in Iran. For any such person who is not included in such report, the Secretary of State should describe in the report the reasons why the person was not included, including information on whether sufficient credible evidence of responsibility for such abuses was found.

(2) **FORM.**—The report required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(3) **DEFINITION.**—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(B) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives.

President. **SEC. 402. IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO IRAN THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.**

(a) **IN GENERAL.**—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended by inserting after section 105 the following:

22 USC 8514a. **“SEC. 105A. IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO IRAN THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.**

“(a) **IN GENERAL.**—The President shall impose sanctions in accordance with subsection (c) with respect to each person on the list required by subsection (b).

“(b) **LIST.**—

“(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the President shall submit to the appropriate congressional committees a list of persons that the President determines have knowingly engaged in an activity described in paragraph (2) on or after such date of enactment.

“(2) **ACTIVITY DESCRIBED.**—

“(A) **IN GENERAL.**—A person engages in an activity described in this paragraph if the person—

“(i) transfers, or facilitates the transfer of, goods or technologies described in subparagraph (C) to Iran, any entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran, or any national of Iran, for use in or with respect to Iran; or

“(ii) provides services (including services relating to hardware, software, and specialized information, and professional consulting, engineering, and support services) with respect to goods or technologies described in subparagraph (C) after such goods or technologies are transferred to Iran.

“(B) **APPLICABILITY TO CONTRACTS AND OTHER AGREEMENTS.**—A person engages in an activity described in subparagraph (A) without regard to whether the activity is carried out pursuant to a contract or other agreement entered into before, on, or after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012.

“(C) **GOODS OR TECHNOLOGIES DESCRIBED.**—Goods or technologies described in this subparagraph are goods or technologies that the President determines are likely to be used by the Government of Iran or any of its agencies or instrumentalities (or by any other person on behalf of the Government of Iran or any of such agencies or instrumentalities) to commit serious human rights abuses against the people of Iran, including—

“(i) firearms or ammunition (as those terms are defined in section 921 of title 18, United States Code), rubber bullets, police batons, pepper or chemical sprays, stun grenades, electroshock weapons, tear gas, water cannons, or surveillance technology; or

“(ii) sensitive technology (as defined in section 106(c)).

“(3) SPECIAL RULE TO ALLOW FOR TERMINATION OF SANCTIONABLE ACTIVITY.—The President shall not be required to include a person on the list required by paragraph (1) if the President certifies in writing to the appropriate congressional committees that—

“(A) the person is no longer engaging in, or has taken significant verifiable steps toward stopping, the activity described in paragraph (2) for which the President would otherwise have included the person on the list; and

“(B) the President has received reliable assurances that the person will not knowingly engage in any activity described in paragraph (2) in the future.

“(4) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

“(A) each time the President is required to submit an updated list to those committees under section 105(b)(2)(A); and

“(B) as new information becomes available.

“(5) FORM OF REPORT; PUBLIC AVAILABILITY.—

“(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

“(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

“(c) APPLICATION OF SANCTIONS.—

“(1) IN GENERAL.—Subject to paragraph (2), the President shall impose sanctions described in section 105(c) with respect to a person on the list required by subsection (b).

“(2) TRANSFERS TO IRAN’S REVOLUTIONARY GUARD CORPS.—In the case of a person on the list required by subsection (b) for transferring, or facilitating the transfer of, goods or technologies described in subsection (b)(2)(C) to Iran’s Revolutionary Guard Corps, or providing services with respect to such goods or technologies after such goods or technologies are transferred to Iran’s Revolutionary Guard Corps, the President shall—

“(A) impose sanctions described in section 105(c) with respect to the person; and

“(B) impose such other sanctions from among the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) as the President determines appropriate.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of

2010 is amended by inserting after the item relating to section 105 the following:

“Sec. 105A. Imposition of sanctions with respect to the transfer of goods or technologies to Iran that are likely to be used to commit human rights abuses.”.

President.

**SEC. 403. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO ENGAGE IN CENSORSHIP OR OTHER RELATED ACTIVITIES AGAINST CITIZENS OF IRAN.**

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) satellite service providers and other entities that have direct contractual arrangements to provide satellite services to the Government of Iran or entities owned or controlled by that Government should cease providing broadcast services to that Government and those entities unless that Government ceases activities intended to jam or restrict satellite signals; and

(2) the United States should address the illegal jamming of satellite signals by the Government of Iran through the voice and vote of the United States in the United Nations International Telecommunications Union.

(b) IMPOSITION OF SANCTIONS.—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), as amended by section 402, is further amended by inserting after section 105A the following:

22 USC 8514b.

**“SEC. 105B. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO ENGAGE IN CENSORSHIP OR OTHER RELATED ACTIVITIES AGAINST CITIZENS OF IRAN.**

“(a) IN GENERAL.—The President shall impose sanctions described in section 105(c) with respect to each person on the list required by subsection (b).

“(b) LIST OF PERSONS WHO ENGAGE IN CENSORSHIP.—

Deadline.  
Determination.

“(1) IN GENERAL.—Not later than 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, the President shall submit to the appropriate congressional committees a list of persons that the President determines have, on or after June 12, 2009, engaged in censorship or other activities with respect to Iran that—

“(A) prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Iran; or

“(B) limit access to print or broadcast media, including the facilitation or support of intentional frequency manipulation by the Government of Iran or an entity owned or controlled by that Government that would jam or restrict an international signal.

“(2) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

“(A) each time the President is required to submit an updated list to those committees under section 105(b)(2)(A); and

“(B) as new information becomes available.

“(3) FORM OF REPORT; PUBLIC AVAILABILITY.—

“(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

“(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.”.

Web posting.

(c) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended by section 402, is further amended by inserting after the item relating to section 105A the following:

“Sec. 105B. Imposition of sanctions with respect to persons who engage in censorship or other related activities against citizens of Iran.”.

(d) CONFORMING AMENDMENTS.—Section 401(b)(1) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(b)(1)) is amended—

- (1) by inserting “, 105A(a), or 105B(a)” after “105(a)”; and
- (2) by inserting “, 105A(b), or 105B(b)” after “105(b)”.

## Subtitle B—Additional Measures to Promote Human Rights

**SEC. 411. CODIFICATION OF SANCTIONS WITH RESPECT TO GRAVE HUMAN RIGHTS ABUSES BY THE GOVERNMENTS OF IRAN AND SYRIA USING INFORMATION TECHNOLOGY.** 22 USC 8751.

United States sanctions with respect to Iran and Syria provided for in Executive Order No. 13606 (77 Fed. Reg. 24571), as in effect on the day before the date of the enactment of this Act, shall remain in effect—

Deadlines.

- (1) with respect to Iran, until the date that is 30 days after the date on which the President submits to Congress the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)); and

President.  
Certification.

- (2) with respect to Syria, until the date on which the provisions of and sanctions imposed pursuant to title VII terminate pursuant to section 706.

**SEC. 412. CLARIFICATION OF SENSITIVE TECHNOLOGIES FOR PURPOSES OF PROCUREMENT BAN UNDER COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY, AND DIVESTMENT ACT OF 2010.** 22 USC 8752.

The Secretary of State shall—

- (1) not later than 90 days after the date of the enactment of this Act, issue guidelines to further describe the technologies that may be considered “sensitive technology” for purposes of section 106 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8515), with special attention to new forms of sophisticated jamming, monitoring, and surveillance technology relating to mobile telecommunications and the Internet, and publish those guidelines in the Federal Register;

Deadline.  
Guidelines.  
Federal Register,  
publication.

- (2) determine the types of technologies that enable any indigenous capabilities that Iran has to disrupt and monitor

Determination.

	information and communications in that country, and consider adding descriptions of those items to the guidelines; and
Review.	(3) periodically review, but in no case less than once each year, the guidelines and, if necessary, amend the guidelines on the basis of technological developments and new information regarding transfers of technologies to Iran and the development of Iran's indigenous capabilities to disrupt and monitor information and communications in Iran.
22 USC 8753.	<b>SEC. 413. EXPEDITED CONSIDERATION OF REQUESTS FOR AUTHORIZATION OF CERTAIN HUMAN RIGHTS-, HUMANITARIAN-, AND DEMOCRACY-RELATED ACTIVITIES WITH RESPECT TO IRAN.</b>
Process.	(a) <b>REQUIREMENT.</b> —The Office of Foreign Assets Control, in consultation with the Department of State, shall establish an expedited process for the consideration of complete requests for authorization to engage in human rights-, humanitarian-, or democracy-related activities relating to Iran that are submitted by— (1) entities receiving funds from the Department of State to engage in the proposed activity; (2) the Broadcasting Board of Governors; and (3) other appropriate agencies of the United States Government. (b) <b>PROCEDURES.</b> —Requests for authorization under subsection (a) shall be submitted to the Office of Foreign Assets Control in conformance with the Office's regulations, including section 501.801 of title 31, Code of Federal Regulations (commonly known as the Reporting, Procedures and Penalties Regulations). Applicants shall fully disclose the parties to the transactions as well as describe the activities to be undertaken. License applications involving the exportation or reexportation of goods, technology, or software to Iran shall include a copy of an official Commodity Classification issued by the Department of Commerce, Bureau of Industry and Security, as part of the license application.
Disclosure. Records.	(c) <b>FOREIGN POLICY REVIEW.</b> —The Department of State shall complete a foreign policy review of a request for authorization under subsection (a) not later than 30 days after the request is referred to the Department by the Office of Foreign Assets Control.
Deadline.	(d) <b>LICENSE DETERMINATIONS.</b> —License determinations for complete requests for authorization under subsection (a) shall be made not later than 90 days after receipt by the Office of Foreign Assets Control, with the following exceptions: (1) Any requests involving the exportation or reexportation to Iran of goods, technology, or software listed on the Commerce Control List maintained pursuant to part 774 of title 15, Code of Federal Regulations, shall be processed in a manner consistent with the Iran-Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102–484) and other applicable provisions of law. (2) Any other requests presenting unusual or extraordinary circumstances.
Deadline.	(e) <b>REGULATIONS.</b> —The Secretary of the Treasury may prescribe such regulations as are appropriate to carry out this section.
22 USC 8754.	<b>SEC. 414. COMPREHENSIVE STRATEGY TO PROMOTE INTERNET FREEDOM AND ACCESS TO INFORMATION IN IRAN.</b>
Deadline.	Not later than 90 days after the date of the enactment of this Act, the Secretary of State, in consultation with the Secretary

of the Treasury and the heads of other Federal agencies, as appropriate, shall submit to the appropriate congressional committees a comprehensive strategy to—

(1) assist the people of Iran to produce, access, and share information freely and safely via the Internet, including in Farsi and regional languages;

(2) support the development of counter-censorship technologies that enable the citizens of Iran to undertake Internet activities without interference from the Government of Iran;

(3) increase the capabilities and availability of secure mobile and other communications through connective technology among human rights and democracy activists in Iran;

(4) provide resources for digital safety training for media and academic and civil society organizations in Iran;

(5) provide accurate and substantive Internet content in local languages in Iran;

(6) increase emergency resources for the most vulnerable human rights advocates seeking to organize, share information, and support human rights in Iran;

(7) expand surrogate radio, television, live stream, and social network communications inside Iran, including—

(A) by expanding Voice of America’s Persian News Network and Radio Free Europe/Radio Liberty’s Radio Farda to provide hourly live news update programming and breaking news coverage capability 24 hours a day and 7 days a week; and

(B) by assisting telecommunications and software companies that are United States persons to comply with the export licensing requirements of the United States for the purpose of expanding such communications inside Iran;

(8) expand activities to safely assist and train human rights, civil society, and democracy activists in Iran to operate effectively and securely;

(9) identify and utilize all available resources to overcome attempts by the Government of Iran to jam or otherwise deny international satellite broadcasting signals;

(10) expand worldwide United States embassy and consulate programming for and outreach to Iranian dissident communities;

(11) expand access to proxy servers for democracy activists in Iran; and

(12) discourage telecommunications and software companies from facilitating Internet censorship by the Government of Iran.

**SEC. 415. STATEMENT OF POLICY ON POLITICAL PRISONERS.**

22 USC 8755.

It shall be the policy of the United States—

(1) to support efforts to research and identify prisoners of conscience and cases of human rights abuses in Iran;

(2) to offer refugee status or political asylum in the United States to political dissidents in Iran if requested and consistent with the laws and national security interests of the United States;

(3) to offer to assist, through the United Nations High Commissioner for Refugees, with the relocation of such political prisoners to other countries if requested, as appropriate and

with appropriate consideration for the national security interests of the United States; and

(4) to publicly call for the release of Iranian dissidents by name and raise awareness with respect to individual cases of Iranian dissidents and prisoners of conscience, as appropriate and if requested by the dissidents or prisoners themselves or their families.

## TITLE V—MISCELLANEOUS

22 USC 8771. **SEC. 501. EXCLUSION OF CITIZENS OF IRAN SEEKING EDUCATION RELATING TO THE NUCLEAR AND ENERGY SECTORS OF IRAN.**

Determination. (a) **IN GENERAL.**—The Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien who is a citizen of Iran that the Secretary of State determines seeks to enter the United States to participate in coursework at an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))) to prepare the alien for a career in the energy sector of Iran or in nuclear science or nuclear engineering or a related field in Iran.

(b) **APPLICABILITY.**—Subsection (a) applies with respect to visa applications filed on or after the date of the enactment of this Act.

22 USC 8772. **SEC. 502. INTERESTS IN CERTAIN FINANCIAL ASSETS OF IRAN.**

(a) **INTERESTS IN BLOCKED ASSETS.**—

(1) **IN GENERAL.**—Subject to paragraph (2), notwithstanding any other provision of law, including any provision of law relating to sovereign immunity, and preempting any inconsistent provision of State law, a financial asset that is—

(A) held in the United States for a foreign securities intermediary doing business in the United States;

(B) a blocked asset (whether or not subsequently unblocked) that is property described in subsection (b); and

(C) equal in value to a financial asset of Iran, including an asset of the central bank or monetary authority of the Government of Iran or any agency or instrumentality of that Government, that such foreign securities intermediary or a related intermediary holds abroad, shall be subject to execution or attachment in aid of execution in order to satisfy any judgment to the extent of any compensatory damages awarded against Iran for damages for personal injury or death caused by an act of torture, extrajudicial killing, aircraft sabotage, or hostage-taking, or the provision of material support or resources for such an act.

(2) **COURT DETERMINATION REQUIRED.**—In order to ensure that Iran is held accountable for paying the judgments described in paragraph (1) and in furtherance of the broader goals of this Act to sanction Iran, prior to an award turning over any asset pursuant to execution or attachment in aid of execution with respect to any judgments against Iran described in paragraph (1), the court shall determine whether Iran holds equitable title to, or the beneficial interest in, the

assets described in subsection (b) and that no other person possesses a constitutionally protected interest in the assets described in subsection (b) under the Fifth Amendment to the Constitution of the United States. To the extent the court determines that a person other than Iran holds—

(A) equitable title to, or a beneficial interest in, the assets described in subsection (b) (excluding a custodial interest of a foreign securities intermediary or a related intermediary that holds the assets abroad for the benefit of Iran); or

(B) a constitutionally protected interest in the assets described in subsection (b),

such assets shall be available only for execution or attachment in aid of execution to the extent of Iran’s equitable title or beneficial interest therein and to the extent such execution or attachment does not infringe upon such constitutionally protected interest.

(b) **FINANCIAL ASSETS DESCRIBED.**—The financial assets described in this section are the financial assets that are identified in and the subject of proceedings in the United States District Court for the Southern District of New York in *Peterson et al. v. Islamic Republic of Iran et al.*, Case No. 10 Civ. 4518 (BSJ) (GWG), that were restrained by restraining notices and levies secured by the plaintiffs in those proceedings, as modified by court order dated June 27, 2008, and extended by court orders dated June 23, 2009, May 10, 2010, and June 11, 2010, so long as such assets remain restrained by court order.

(c) **RULES OF CONSTRUCTION.**—Nothing in this section shall be construed—

(1) to affect the availability, or lack thereof, of a right to satisfy a judgment in any other action against a terrorist party in any proceedings other than proceedings referred to in subsection (b); or

(2) to apply to assets other than the assets described in subsection (b), or to preempt State law, including the Uniform Commercial Code, except as expressly provided in subsection (a)(1).

(d) **DEFINITIONS.**—In this section:

(1) **BLOCKED ASSET.**—The term “blocked asset”—

(A) means any asset seized or frozen by the United States under section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)) or under section 202 or 203 of the International Emergency Economic Powers Act (50 U.S.C. 1701 and 1702); and

(B) does not include property that—

(i) is subject to a license issued by the United States Government for final payment, transfer, or disposition by or to a person subject to the jurisdiction of the United States in connection with a transaction for which the issuance of the license has been specifically required by a provision of law other than the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or the United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.); or

(ii) is property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations, or that enjoys equivalent privileges

and immunities under the laws of the United States, and is being used exclusively for diplomatic or consular purposes.

(2) **FINANCIAL ASSET; SECURITIES INTERMEDIARY.**—The terms “financial asset” and “securities intermediary” have the meanings given those terms in the Uniform Commercial Code, but the former includes cash.

(3) **IRAN.**—The term “Iran” means the Government of Iran, including the central bank or monetary authority of that Government and any agency or instrumentality of that Government.

(4) **PERSON.**—

(A) **IN GENERAL.**—The term “person” means an individual or entity.

(B) **ENTITY.**—The term “entity” means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.

(5) **TERRORIST PARTY.**—The term “terrorist party” has the meaning given that term in section 201(d) of the Terrorism Risk Insurance Act of 2002 (28 U.S.C. 1610 note).

(6) **UNITED STATES.**—The term “United States” includes all territory and waters, continental, or insular, subject to the jurisdiction of the United States.

(e) **TECHNICAL CHANGES TO THE FOREIGN SOVEREIGN IMMUNITIES ACT.**—

(1) **TITLE 28, UNITED STATES CODE.**—Section 1610 of title 28, United States Code, is amended—

(A) in subsection (a)(7), by inserting after “section 1605A” the following: “or section 1605(a)(7) (as such section was in effect on January 27, 2008)”; and

(B) in subsection (b)—

(i) in paragraph (2)—

(I) by striking “(5), 1605(b), or 1605A” and inserting “(5) or 1605(b)”; and

(II) by striking the period at the end and inserting “, or”; and

(ii) by adding after paragraph (2) the following:

“(3) the judgment relates to a claim for which the agency or instrumentality is not immune by virtue of section 1605A of this chapter or section 1605(a)(7) of this chapter (as such section was in effect on January 27, 2008), regardless of whether the property is or was involved in the act upon which the claim is based.”.

(2) **TERRORISM RISK INSURANCE ACT OF 2002.**—Section 201(a) of the Terrorism Risk Insurance Act of 2002 (28 U.S.C. 1610 note) is amended by striking “section 1605(a)(7)” and inserting “section 1605A or 1605(a)(7) (as such section was in effect on January 27, 2008)”.

**SEC. 503. TECHNICAL CORRECTIONS TO SECTION 1245 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012.**

(a) **EXCEPTION FOR SALES OF AGRICULTURAL COMMODITIES.**—

(1) **IN GENERAL.**—Section 1245(d)(2) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(2)) is amended—

(A) in the paragraph heading, by inserting “AGRICULTURAL COMMODITIES,” after “SALES OF”; and

(B) in the text, by inserting “agricultural commodities,” after “sale of”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1298).

22 USC 8513a  
note.

(b) REPORT OF ENERGY INFORMATION ADMINISTRATION.—

(1) IN GENERAL.—Section 1245(d)(4)(A) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(A)) is amended—

(A) by striking “60 days after the date of the enactment of this Act, and every 60 days thereafter” and inserting “October 25, 2012, and the last Thursday of every other month thereafter”; and

(B) by striking “60-day period” and inserting “2-month period”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on September 1, 2012.

22 USC 8513a  
note.

**SEC. 504. EXPANSION OF SANCTIONS UNDER SECTION 1245 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012.**

(a) IN GENERAL.—Section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a), as amended by section 503, is further amended—

(1) in subsection (d)—

(A) in paragraph (3), by striking “a foreign financial institution owned or controlled by the government of a foreign country, including”; and

(B) in paragraph (4)(D)—

(i) by striking “Sanctions imposed” and inserting the following:

“(i) IN GENERAL.—Sanctions imposed”;

(ii) in clause (i), as designated by clause (i) of this subparagraph—

(I) by striking “a foreign financial institution” and inserting “a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution”;

(II) by striking “institution has significantly” and inserting “institution—

“(I) has significantly reduced”;

(III) by striking the period at the end and inserting “; or”; and

(IV) by adding at the end the following:

“(II) in the case of a country that has previously received an exception under this subparagraph, has, after receiving the exception, reduced its crude oil purchases from Iran to zero.”; and

(iii) by adding at the end the following:

“(ii) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

“(I) the financial transaction is only for trade in goods or services between the country with primary jurisdiction over the foreign financial institution and Iran; and

“(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.”;

(2) in subsection (h)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

Definition.

“(3) SIGNIFICANT REDUCTIONS.—The terms ‘reduce significantly’, ‘significant reduction’, and ‘significantly reduced’, with respect to purchases from Iran of petroleum and petroleum products, include a reduction in such purchases in terms of price or volume toward a complete cessation of such purchases.’; and

(3) by adding at the end the following:

“(i) TERMINATION.—The provisions of this section shall terminate on the date that is 30 days after the date on which the President submits to Congress the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).”.

Applicability.  
22 USC 8513a  
note.

(b) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) of subsection (a) shall apply with respect to financial transactions conducted or facilitated on or after the date that is 180 days after the date of the enactment of this Act.

#### SEC. 505. REPORTS ON NATURAL GAS EXPORTS FROM IRAN.

(a) REPORT BY ENERGY INFORMATION ADMINISTRATION.—Not later than 60 days after the date of the enactment of this Act, the Administrator of the Energy Information Administration shall submit to the President and the appropriate congressional committees a report on the natural gas sector of Iran that includes—

(1) an assessment of exports of natural gas from Iran;

(2) an identification of the countries that purchase the most natural gas from Iran;

(3) an assessment of alternative supplies of natural gas available to those countries;

(4) an assessment of the impact a reduction in exports of natural gas from Iran would have on global natural gas supplies and the price of natural gas, especially in countries identified under paragraph (2); and

(5) such other information as the Administrator considers appropriate.

(b) REPORT BY PRESIDENT.—

(1) IN GENERAL.—Not later than 60 days after receiving the report required by subsection (a), the President shall, relying on information in that report, submit to the appropriate congressional committees a report that includes—

(A) an assessment of—

(i) the extent to which revenues from exports of natural gas from Iran are still enriching the Government of Iran;

(ii) whether a sanctions regime similar to the sanctions regime imposed with respect to purchases of

petroleum and petroleum products from Iran pursuant to section 1245 of the National Defense Authorization Act for Fiscal Year 2012, as amended by sections 503 and 504, or other measures could be applied effectively to exports of natural gas from Iran;

(iii) the geostrategic implications of a reduction in exports of natural gas from Iran, including the impact of such a reduction on the countries identified under subsection (a)(2);

(iv) alternative supplies of natural gas available to those countries; and

(v) the impact a reduction in exports of natural gas from Iran would have on global natural gas supplies and the price of natural gas and the impact, if any, on swap arrangements for natural gas in place between Iran and neighboring countries; and

(B) specific recommendations with respect to measures designed to limit the revenue received by the Government of Iran from exports of natural gas; and

(C) any other information the President considers appropriate.

(2) FORM OF REPORT.—Each report required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

**SEC. 506. REPORT ON MEMBERSHIP OF IRAN IN INTERNATIONAL ORGANIZATIONS.** 22 USC 8773.

Not later than 180 days after the date of the enactment of this Act, and not later than September 1 of each year thereafter, the Secretary of State shall submit to the appropriate congressional committees a report listing the international organizations of which Iran is a member and detailing the amount that the United States contributes to each such organization on an annual basis.

**SEC. 507. SENSE OF CONGRESS ON EXPORTATION OF GOODS, SERVICES, AND TECHNOLOGIES FOR AIRCRAFT PRODUCED IN THE UNITED STATES.**

It is the sense of Congress that licenses to export or reexport goods, services, or technologies for aircraft produced in the United States should be provided only in situations in which such licenses are truly essential and in a manner consistent with the laws and foreign policy goals of the United States.

## TITLE VI—GENERAL PROVISIONS

**SEC. 601. IMPLEMENTATION; PENALTIES.**

22 USC 8781.

(a) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out—

(1) sections 211, 212, 213, 217, 218, 220, 312, and 411, subtitle A of title III, and title VII;

(2) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 312; and

(3) sections 105A and 105B of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by subtitle A of title IV.

(b) PENALTIES.—

(1) IN GENERAL.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of a provision specified in paragraph (2) of this subsection, or an order or regulation prescribed under such a provision, to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(2) PROVISIONS SPECIFIED.—The provisions specified in this paragraph are the following:

(A) Sections 211, 212, 213, and 220, subtitle A of title III, and title VII.

(B) Sections 105A and 105B of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by subtitle A of title IV.

22 USC 8782.

**SEC. 602. APPLICABILITY TO CERTAIN INTELLIGENCE ACTIVITIES.**

Nothing in this Act or the amendments made by this Act shall apply to the authorized intelligence activities of the United States.

22 USC 8783.

**SEC. 603. APPLICABILITY TO CERTAIN NATURAL GAS PROJECTS.**

(a) EXCEPTION FOR CERTAIN NATURAL GAS PROJECTS.—Nothing in this Act or the amendments made by this Act shall apply to any activity relating to a project—

(1) for the development of natural gas and the construction and operation of a pipeline to transport natural gas from Azerbaijan to Turkey and Europe;

(2) that provides to Turkey and countries in Europe energy security and energy independence from the Government of the Russian Federation and other governments with jurisdiction over persons subject to sanctions imposed under this Act or amendments made by this Act; and

(3) that was initiated before the date of the enactment of this Act pursuant to a production-sharing agreement, or an ancillary agreement necessary to further a production-sharing agreement, entered into with, or a license granted by, the government of a country other than Iran before such date of enactment.

(b) TERMINATION OF EXCEPTION.—

Certification.

(1) IN GENERAL.—The exception under subsection (a) shall not apply with respect to a project described in that subsection on or after the date on which the President certifies to the appropriate congressional committees that—

(A) the percentage of the equity interest in the project held by or on behalf of an entity described in paragraph

(2) has increased relative to the percentage of the equity interest in the project held by or on behalf of such an entity on January 1, 2002; or

(B) an entity described in paragraph (2) has assumed an operational role in the project.

(2) ENTITY DESCRIBED.—An entity described in this paragraph is—

- (A) an entity—
  - (i) owned or controlled by the Government of Iran or identified under section 560.304 of title 31, Code of Federal Regulations (relating to the definition of the Government of Iran); or
  - (ii) organized under the laws of Iran or with the participation or approval of the Government of Iran;
- (B) an entity owned or controlled by an entity described in subparagraph (A); or
- (C) a successor entity to an entity described in subparagraph (A).

**SEC. 604. RULE OF CONSTRUCTION WITH RESPECT TO USE OF FORCE AGAINST IRAN AND SYRIA.** 22 USC 8784.

Nothing in this Act or the amendments made by this Act shall be construed as a declaration of war or an authorization of the use of force against Iran or Syria.

**SEC. 605. TERMINATION.** 22 USC 8785.

(a) **IN GENERAL.**—The provisions of sections 211, 212, 213, 218, 220, 221, and 501, title I, and subtitle A of title III shall terminate on the date that is 30 days after the date on which the President makes the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

(b) **AMENDMENT TO TERMINATION DATE OF COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY, AND DIVESTMENT ACT OF 2010.**—Section 401(a)(2) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)(2)) is amended by inserting “, and verifiably dismantled its,” after “development of”.

**TITLE VII—SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES IN SYRIA**

Syria Human Rights Accountability Act of 2012. President. Determinations. 22 USC 8701 note.

**SEC. 701. SHORT TITLE.**

This title may be cited as the “Syria Human Rights Accountability Act of 2012”.

**SEC. 702. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF SYRIA OR THEIR FAMILY MEMBERS.** 22 USC 8791.

(a) **IN GENERAL.**—The President shall impose sanctions described in subsection (c) with respect to each person on the list required by subsection (b).

(b) **LIST OF PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN CERTAIN HUMAN RIGHTS ABUSES.**—

(1) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons who are officials of the Government of Syria or persons acting on behalf of that Government that the President determines, based on credible evidence, are responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens

Deadline.

of Syria or their family members, regardless of whether such abuses occurred in Syria.

(2) **UPDATES OF LIST.**—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

Deadlines.

(A) not later than 300 days after the date of the enactment of this Act and every 180 days thereafter; and

(B) as new information becomes available.

(3) **FORM OF REPORT; PUBLIC AVAILABILITY.**—

(A) **FORM.**—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

Web posting.

(B) **PUBLIC AVAILABILITY.**—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

(4) **CONSIDERATION OF DATA FROM OTHER COUNTRIES AND NONGOVERNMENTAL ORGANIZATIONS.**—In preparing the list required by paragraph (1), the President shall consider credible data already obtained by other countries and nongovernmental organizations, including organizations in Syria, that monitor the human rights abuses of the Government of Syria.

(c) **SANCTIONS DESCRIBED.**—The sanctions described in this subsection are sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), including blocking of property and restrictions or prohibitions on financial transactions and the exportation of property, subject to such regulations as the President may prescribe.

22 USC 8792.

**SEC. 703. IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO SYRIA THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.**

(a) **IN GENERAL.**—The President shall impose sanctions described in section 702(c) with respect to—

(1) each person on the list required by subsection (b);

and

(2) any person that—

(A) is a successor entity to a person on the list;

(B) owns or controls a person on the list, if the person that owns or controls the person on the list had actual knowledge or should have known that the person on the list engaged in the activity described in subsection (b)(2) for which the person was included in the list; or

(C) is owned or controlled by, or under common ownership or control with, the person on the list, if the person owned or controlled by, or under common ownership or control with (as the case may be), the person on the list knowingly engaged in the activity described in subsection (b)(2) for which the person was included in the list.

(b) **LIST.**—

Deadline.

(1) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons that the President determines have knowingly engaged in an activity described in paragraph (2) on or after such date of enactment.

(2) **ACTIVITY DESCRIBED.**—

(A) IN GENERAL.—A person engages in an activity described in this paragraph if the person—

(i) transfers, or facilitates the transfer of, goods or technologies described in subparagraph (C) to Syria; or

(ii) provides services with respect to goods or technologies described in subparagraph (C) after such goods or technologies are transferred to Syria.

(B) APPLICABILITY TO CONTRACTS AND OTHER AGREEMENTS.—A person engages in an activity described in subparagraph (A) without regard to whether the activity is carried out pursuant to a contract or other agreement entered into before, on, or after the date of the enactment of this Act.

(C) GOODS OR TECHNOLOGIES DESCRIBED.—Goods or technologies described in this subparagraph are goods or technologies that the President determines are likely to be used by the Government of Syria or any of its agencies or instrumentalities to commit human rights abuses against the people of Syria, including—

(i) firearms or ammunition (as those terms are defined in section 921 of title 18, United States Code), rubber bullets, police batons, pepper or chemical sprays, stun grenades, electroshock weapons, tear gas, water cannons, or surveillance technology; or

(ii) sensitive technology.

(D) SENSITIVE TECHNOLOGY DEFINED.—

(i) IN GENERAL.—For purposes of subparagraph (C), the term “sensitive technology” means hardware, software, telecommunications equipment, or any other technology, that the President determines is to be used specifically—

(I) to restrict the free flow of unbiased information in Syria; or

(II) to disrupt, monitor, or otherwise restrict speech of the people of Syria.

(ii) EXCEPTION.—The term “sensitive technology” does not include information or informational materials the exportation of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).

(3) SPECIAL RULE TO ALLOW FOR TERMINATION OF SANCTIONABLE ACTIVITY.—The President shall not be required to include a person on the list required by paragraph (1) if the President certifies in writing to the appropriate congressional committees that—

Certification.

(A) the person is no longer engaging in, or has taken significant verifiable steps toward stopping, the activity described in paragraph (2) for which the President would otherwise have included the person on the list; and

(B) the President has received reliable assurances that the person will not knowingly engage in any activity described in paragraph (2) in the future.

(4) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—

Deadlines.	<p>(A) not later than 300 days after the date of the enactment of this Act and every 180 days thereafter; and</p> <p>(B) as new information becomes available.</p> <p>(5) FORM OF REPORT; PUBLIC AVAILABILITY.—</p> <p>(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.</p>
Web posting.	<p>(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.</p>
22 USC 8793.	<p><b>SEC. 704. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO ENGAGE IN CENSORSHIP OR OTHER FORMS OF REPRESSION IN SYRIA.</b></p> <p>(a) IN GENERAL.—The President shall impose sanctions described in section 702(c) with respect to each person on the list required by subsection (b).</p> <p>(b) LIST OF PERSONS WHO ENGAGE IN CENSORSHIP.—</p> <p>(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons that the President determines have engaged in censorship, or activities relating to censorship, in a manner that prohibits, limits, or penalizes the legitimate exercise of freedom of expression by citizens of Syria.</p> <p>(2) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—</p>
Deadline.	<p>(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons that the President determines have engaged in censorship, or activities relating to censorship, in a manner that prohibits, limits, or penalizes the legitimate exercise of freedom of expression by citizens of Syria.</p> <p>(2) UPDATES OF LIST.—The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—</p>
Deadlines.	<p>(A) not later than 300 days after the date of the enactment of this Act and every 180 days thereafter; and</p> <p>(B) as new information becomes available.</p> <p>(3) FORM OF REPORT; PUBLIC AVAILABILITY.—</p> <p>(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.</p>
Web posting.	<p>(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.</p>
22 USC 8794.	<p><b>SEC. 705. WAIVER.</b></p> <p>The President may waive the requirement to include a person on a list required by section 702, 703, or 704 or to impose sanctions pursuant to any such section if the President—</p> <p>(1) determines that such a waiver is in the national security interests of the United States; and</p> <p>(2) submits to the appropriate congressional committees a report on the reasons for that determination.</p>
Reports.	<p>(2) submits to the appropriate congressional committees a report on the reasons for that determination.</p>
22 USC 8795.	<p><b>SEC. 706. TERMINATION.</b></p> <p>(a) IN GENERAL.—The provisions of this title and any sanctions imposed pursuant to this title shall terminate on the date on which the President submits to the appropriate congressional committees—</p> <p>(1) the certification described in subsection (b); and</p> <p>(2) a certification that—</p>
Certification.	<p>(1) the certification described in subsection (b); and</p> <p>(2) a certification that—</p>

(A) the Government of Syria is democratically elected and representative of the people of Syria; or

(B) a legitimate transitional government of Syria is in place.

(b) CERTIFICATION DESCRIBED.—A certification described in this subsection is a certification by the President that the Government of Syria—

(1) has unconditionally released all political prisoners;

(2) has ceased its practices of violence, unlawful detention, torture, and abuse of citizens of Syria engaged in peaceful political activity;

(3) has ceased its practice of procuring sensitive technology designed to restrict the free flow of unbiased information in Syria, or to disrupt, monitor, or otherwise restrict the right of citizens of Syria to freedom of expression;

(4) has ceased providing support for foreign terrorist organizations and no longer allows such organizations, including Hamas, Hezbollah, and Palestinian Islamic Jihad, to maintain facilities in territory under the control of the Government of Syria; and

(5) has ceased the development and deployment of medium- and long-range surface-to-surface ballistic missiles;

(6) is not pursuing or engaged in the research, development, acquisition, production, transfer, or deployment of biological, chemical, or nuclear weapons, and has provided credible assurances that it will not engage in such activities in the future; and

(7) has agreed to allow the United Nations and other international observers to verify that the Government of Syria is not engaging in such activities and to assess the credibility of the assurances provided by that Government.

(c) SUSPENSION OF SANCTIONS AFTER ELECTION OF DEMOCRATIC GOVERNMENT.—If the President submits to the appropriate congressional committees the certification described in subsection (a)(2), the President may suspend the provisions of this title and any sanctions imposed under this title for not more than 180 days to allow time for a certification described in subsection (b) to be submitted.

Approved August 10, 2012.

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LEGISLATIVE HISTORY—H.R. 1905:

CONGRESSIONAL RECORD:

Vol. 157 (2011): Dec. 13, 14, considered and passed House.

Vol. 158 (2012): May 21, considered and passed Senate, amended.

Aug. 1, House concurred in Senate amendment with an amendment. Senate concurred in House amendment.





## Public Statement - 24 February 2017

*Paris, France, 24 February 2017*- The Financial Action Task Force (FATF) is the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT). In order to protect the international financial system from money laundering and financing of terrorism (ML/FT) risks and to encourage greater compliance with the AML/CFT standards, the FATF identified jurisdictions that have strategic deficiencies and works with them to address those deficiencies that pose a risk to the international financial system.

***Jurisdictions subject to a FATF call on its members and other jurisdictions to apply counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing (ML/FT) risks emanating from the DPRK.***

### **Democratic People's Republic of Korea (DPRK)**

The FATF remains concerned by the DPRK's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threat this poses to the integrity of the international financial system. The FATF urges the DPRK to immediately and meaningfully address its AML/CFT deficiencies. Further, FATF has serious concerns with the threat posed by DPRK's illicit activities related to the proliferation of weapons of mass destruction (WMDs) and its financing.

The FATF reaffirms its 25 February 2011 call on its members and urges all jurisdictions to advise their financial institutions to give special attention to business relationships and transactions with the DPRK, including DPRK companies, financial institutions and those acting on their behalf. In addition to enhanced scrutiny, the FATF further calls on its members and urges all jurisdictions to apply effective counter-measures, and targeted financial sanctions in accordance with applicable United Nations Security Council Resolutions, to protect their financial sectors from money laundering, financing of terrorism and WMD proliferation financing (ML/FT/PF) risks emanating from the DPRK. Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK banks within their territories and terminate correspondent relationships with DPRK banks, where required by relevant UNSC Resolutions.

***Jurisdictions subject to a FATF call on its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risks arising from the jurisdiction***

### **Iran**

In June 2016, the FATF welcomed Iran's adoption of, and high-level political commitment to, an Action Plan to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan. Accordingly, in June 2016, the FATF suspended counter-measures for twelve months in order to monitor Iran's progress in implementing the Action Plan. If the FATF determines that Iran has not demonstrated sufficient progress in implementing the Action Plan at the end of that period, FATF's call for counter-measures will be re-imposed. If Iran meets its commitments under the Action Plan in that time period, the FATF will consider next steps in this regard.

Iran will remain on the FATF Public Statement until the full Action Plan has been completed. Until Iran implements the measures required to address the deficiencies identified in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system. The FATF, therefore, calls on its members and urges all jurisdictions to continue to advise their financial institutions to apply enhanced due diligence to business relationships and transactions with natural and legal persons from Iran, consistent with FATF Recommendation 19. The FATF urges Iran to fully address its AML/CFT deficiencies, in particular those related to terrorist financing.

The FATF will continue to engage with Iran and closely monitor its progress.

More on: [Improving Global AML/CFT Compliance: On-going Process](#), 24 February 2017

## U.S. DEPARTMENT OF THE TREASURY

### Press Center

#### Written Testimony of Adam J. Szubin, Acting Under Secretary of Treasury for Terrorism and Financial Intelligence United States Senate Committee on Banking, Housing, And Urban Affairs

8/5/2015

**WASHINGTON** - Chairman Shelby, Ranking Member Brown, and Members of the Committee: Thank you for inviting me to appear before you today to discuss the Joint Comprehensive Plan of Action (JCPOA) that the United States and our negotiating partners concluded with Iran on July 14. It is an honor to appear alongside Ambassador Sherman. A foreign policy matter of such importance deserves a careful analysis. I am confident that an open and honest debate based on the facts will make evident that this deal will strengthen America's security and that of our allies.

Having spent more than a decade at the Treasury Department working to strengthen our diplomatic efforts by imposing sanctions pressure on Iran, I will focus on the global sanctions coalition built and led by the United States that gave us the leverage necessary to secure unprecedented nuclear concessions from Iran. I will then discuss the nature of the sanctions relief in this deal, and how the JCPOA is designed to keep pressure on Iran to fulfill its nuclear commitments. Lastly, I will explain the tough sanctions that will remain in place to combat a range of malign Iranian activity outside the nuclear sphere—including its support for terrorism and militant proxies in the Middle East, its missile program, and its human rights abuses.

#### The Impact of Our Sanctions Bringing Iran to the Table

The powerful set of U.S. and international sanctions on Iran, and especially those imposed over the last five years, effectively isolated Iran from the world economy. The U.S. government led this effort across two administrations and with bipartisan backing in Congress. Together we obtained four tough UN Security Council resolutions, and built upon our longstanding primary embargo by enlisting the support of foreign partners from Europe to Asia to impose further pressure on Iran. This campaign yielded results. After years of intransigence, Iran came to the table prepared to negotiate seriously over its nuclear program.

To see the impact of the sanctions campaign, consider the following metrics. Today, the Iranian economy is estimated to be only 80 percent the size that it would have been, had it continued on its pre-2012 growth path. Consequently, it will take until at least 2022—even with sanctions relief—for Iran to get back to where it would have been absent our sanctions. Iran has foregone approximately \$160 billion in oil revenue alone since 2012, after our sanctions reduced Iran's oil exports by 60 percent. This money is lost and cannot be recovered.

Iran's designated banks, as well as its Central Bank, have been cut off from the world. The Iranian currency has declined by more than 50 percent. We maintained strong economic pressure throughout the two-year negotiating period. Indeed, during that time, our sanctions deprived Iran of an additional \$70 billion in oil revenue, and Iran's total trade with the rest of the world remained virtually flat.

To achieve this pressure, international consensus and cooperation were vital. Around the world, views on Iran's sponsorship of groups like Hizballah and its regional interventions differ. But the world's major powers have been united in preventing a nuclear-armed Iran. Iran's major trading partners and oil customers joined us in imposing pressure on Iran, and paid a significant economic price to do so, based on U.S. sanctions and a clear path forward. The point of these efforts was clear: to change Iran's nuclear behavior, while holding out the prospect of relief if Iran addressed the world's concerns about its nuclear program.

#### The Nature and Scope of JCPOA Relief

As Ambassador Sherman has described, the JCPOA addresses these nuclear concerns by closing off Iran's pathways to a nuclear weapon and providing access to ensure compliance, while preserving leverage if Iran breaches the deal. If Iran fully complies with the terms of the JCPOA, and if the IAEA verifies their compliance, phased sanctions relief will come into effect.

To be clear: when the JCPOA goes into effect, there will be no immediate relief from UN, EU, or U.S. sanctions. There is no "signing bonus." Only if Iran fulfills the necessary nuclear conditions—which will roll back its nuclear program and extend its breakout time five-fold to at least one year—will the United States lift sanctions. We expect that to take at least six to nine months. Until Iran completes those steps, we are simply extending the limited relief that has been in place for the last year and a half under the Joint Plan of Action. There will not be a cent of new sanctions relief.

Upon "Implementation Day," when phased relief would begin, the United States will lift nuclear-related secondary sanctions targeting third-country parties conducting business with Iran, including in the oil, banking, and shipping sectors. These measures were imposed in response to the security threat from Iran's nuclear program; accordingly, they will be suspended in exchange for verifiable actions to alleviate that threat.

As we phase in nuclear-related sanctions relief, we will maintain and enforce significant sanctions that fall outside the scope of this deal, including our primary U.S. trade embargo. Our embargo will continue to prohibit U.S. persons from investing in Iran, importing or exporting to Iran most goods and services, or otherwise dealing with most Iranian persons and companies. Iranian banks will not be able to clear U.S. dollars through New York, hold correspondent account relationships with U.S. financial institutions, or enter into financing arrangements with U.S. banks. Nor will Iran be able to import controlled U.S.-origin technology or goods, from anywhere in the world. In short, Iran will continue to be denied access to the world's principal financial and commercial market. The JCPOA provides for only minor exceptions to this broad prohibition.

#### Countering Malign Iranian Conduct

As we address the most acute threat posed by Iran, its nuclear program, we will be aggressively countering the array of Iran's other malign activities. The JCPOA in no way limits our ability to do so, and we have made our posture clear to both Iran and to our partners. This means that the United States will maintain and continue to vigorously enforce our powerful sanctions targeting

Iran's backing for terrorist groups such as Hizballah. In the last two months alone, for example, we designated eleven Hizballah military officials and affiliated companies and businessmen. We will also continue our campaign against Hizballah's sponsors in Iran's Islamic Revolutionary Guard Corps-Quds Force; Iran's support to the Houthis in Yemen; its backing of Assad's regime in Syria; and its domestic human rights abuses. We will also maintain the U.S. sanctions against Iran's missile program and the RGC writ large.

Let there be no doubt about our willingness to continue enforcing these sanctions. During the JPOA period, when we were intensely negotiating with Iran, we took action against more than 100 Iranian-linked targets for their WMD, terrorism, human rights abuses, evasion and other illicit activities.

Nor are we relieving sanctions on Iran's Revolutionary Guard Corps, its Quds Force, any of their subsidiaries or senior officials. The U.S. designation of Quds Force commander Qassem Suleimani will not be removed, nor will he be removed from EU lists related to terrorism and Syria sanctions.

Sanctions will also remain in place on key Iranian defense entities, including Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), Defense Industries Organization, Aerospace Industries Organization and other key missile entities, including Shahid Hemat Industrial Group (SHIG) and Shahid Bagheri Industrial Group (SBIG). We will also retain sanctions on Iranian firms such as the Tiva Sanat Group, which has worked to develop a weapons-capable fast boat to be used by the IRGC-Navy, and Iran Aircraft Manufacturing Industrial Company (HESA), which manufactures unmanned aerial vehicles used by the RGC, as well as third country firms that have assisted Iran's missile and defense programs. Under the JCPOA, more than 225 Iran-linked persons will remain designated and subject to our sanctions, including major Iranian companies and military and defense entities and firms.

It is worth emphasizing that our sanctions authorities will continue to affect foreign financial institutions that transact with these more than 200 Iranian persons on our Specially Designated Nationals List, as well as persons who provide material or other types of support to Iranian SDNs. These measures provide additional deterrence internationally. For example, a foreign bank that conducts or facilitates a significant financial transaction with Iran's Mahan Air, the RGC-controlled construction firm Khatam al Anbiya, or Bank Saderat will risk losing its access to the U.S. financial system, and this is not affected by the nuclear deal.

#### **Sanctions Snap Back**

Of course, we must guard against the possibility that Iran does not uphold its side of the bargain. That is why, should Iran violate its commitments once we have suspended sanctions, we will be able to promptly snap back both U.S. and UN sanctions, and our EU colleagues have reserved the ability to do so with respect to their sanctions as well.

For U.S. sanctions, this can be achieved rapidly—in a matter of days—from smaller penalties up to and including the powerful oil and financial measures that were so effective against Iran's economy. New measures could also be imposed if Iran were to violate its commitments and renege on the deal.

Multilateral sanctions at the UN also can be reimposed quickly, and the United States has the ability to reimpose those sanctions unilaterally, even over the objections of other P5 members.

To those with concerns that Iran can accumulate minor violations over time, it is important to clarify that if there are small violations, we can address them through a variety of measures – snap back does not have to be all or nothing. This approach gives us maximum flexibility and maximum leverage.

If sanctions snap back, there is no "grandfather clause." While we have committed not to retroactively impose sanctions for legitimate activity undertaken during the period of relief, any transactions conducted after the snap-back occurs are sanctionable. To be clear, there is no provision in the deal that protects contracts signed prior to snap back—once snap back occurs, any prospective transaction is sanctionable.

#### **JCPOA Relief in Perspective**

Some have argued that sanctions relief is premature until Iran pursues less destructive policies at home and abroad, and that funds Iran recovers could be diverted for destructive purposes. But Iran's ties to terrorist groups are exactly why we must keep it from ever obtaining a nuclear weapon. The JCPOA will address this nuclear danger, freeing us and our allies to check Iran's regional activities more aggressively. By contrast, walking away from this deal would leave the world's leading state sponsor of terrorism with a short and decreasing nuclear breakout time. We are far better positioned to combat Iran's proxies with the nuclear threat off the table.

We must also be measured and realistic in understanding what sanctions relief will really mean to Iran. Estimates of total Central Bank of Iran (CBI) foreign exchange assets worldwide are in the range of \$100 to \$125 billion. Our assessment is that Iran's usable liquid assets after sanctions relief will be much lower, at a little more than \$50 billion. The other \$50-70 billion of total CBI foreign exchange assets are either obligated in illiquid projects (such as over 50 projects with China) that cannot be monetized quickly, if at all, or are composed of outstanding loans to Iranian entities that cannot repay them. These assets would not become accessible following sanctions relief.

Because Iran's freely accessible assets constitute the country's reserves, not its annual budgetary allowance, Iran will need to retain a portion of these assets to defend its currency and stability.

Of the portion that Iran spends, we assess that the vast majority will be used to tackle a mountain of debts and domestic needs that at over a half trillion dollars are more than ten times as large as the funds it can freely use. Iran will also likely need a meaningful portion of its liquid foreign exchange reserve assets to finance pent-up import demand, unify official and unofficial exchange rates, and maintain an adequate foreign exchange buffer against future external shocks.

For reference, \$50 billion is roughly in line with the 5-10 months of imports foreign exchange buffer that comparable emerging markets countries and the IMF consider prudent. All the while, Iran's economy continues to suffer from immense challenges—due to factors including budget deficits,

endemic corruption, dilapidated energy infrastructure, a poor business environment, and the reputational concerns of foreign companies. Let us also recall that President Rouhani, who rose to the presidency on a platform of economic revival, faces a political imperative to show meaningful economic gains to the Iranian population. The Supreme Leader's approval of the negotiations suggests his understanding of this need as well.

We are mindful that at least some of the funds Iran receives from relief could find their way to malign purposes. This prospect is inherent in any realistic nuclear deal, no matter its duration or terms. But therefore it is incumbent on us to intensify our work, alongside Israel and our regional allies, to combat these malicious proxies.

#### **Alternative Approaches**

Sanctions were a means to an end, and relief was a necessary part of any deal. The deal we have achieved in the JCPOA is a strong one. It phases in relief in exchange for verified Iranian compliance with nuclear-related steps, and has a strong snap-back built in. It would be a mistake for the United States to back

away based on the misconception that it would be feasible to escalate the economic pressure in order to obtain a broader Iranian capitulation.

It is unrealistic to think that, with a broken international consensus and less leverage, we could somehow secure a "much better" deal involving Iran's capitulation and the eradication of its peaceful nuclear infrastructure or the cessation of its support for longtime proxies such as Hizballah.

Our partners agreed to impose costly sanctions on Iran for one reason—to negotiate an end to the threat of a nuclear weapon-capable Iran. If we change our terms now, and insist that these countries now escalate sanctions when we have jointly addressed this threat through the JCPOA, then our ability to impose additional pressure will be severely diminished.

Iran's escrowed reserves are not in our hands, and much of the world is prepared to do business in Iran. If the United States were to walk away from this deal, and ask our partners to continue locking up Iran's reserves and maintaining sanctions, the consensus likely would fray, with unpredictable results. Rejecting the deal in pursuit of objectives over which there is far less international consensus and unity would allow the sanctions regime to unravel and our leverage to dissipate. And we would risk losing both a nuclear deal and the sanctions leverage.

#### **Conclusion**

Enforcing this deal, and securing the nuclear concessions Iran has made, will capitalize on our carefully built economic pressure strategy. The deal's terms accomplish our overarching goal. Blocking all of Iran's paths to a nuclear bomb makes us and our allies safer.

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## U.S. DEPARTMENT OF THE TREASURY

## Press Center

## Treasury Sanctions Supporters of Iran's Ballistic Missile Program and Iran's Islamic Revolutionary Guard Corps – Qods Force

2/3/2017

**WASHINGTON** - Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned multiple entities and individuals involved in procuring technology and/or materials to support Iran's ballistic missile program, as well as for acting for or on behalf of, or providing support to, Iran's Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF).

This action reflects the United States' commitment to enforcing sanctions on Iran with respect to its ballistic missile program and destabilizing activities in the region and is fully consistent with the United States' commitments under the Joint Comprehensive Plan of Action (JCPOA). More specifically:

- OFAC designated several networks and supporters of Iran's ballistic missile procurement, including a critical Iranian procurement agent and eight individuals and entities in his Iran- and China-based network, an Iranian procurement company and its Gulf-based network, and five individuals and entities that are part of an Iran-based procurement network connected to Mabrooka Trading, which was designated on January 17, 2016. This action was taken pursuant to Executive Order (E.O.) 13382, which targets proliferators of weapons of mass destruction and their means of delivery and supporters of such activity.
- OFAC designated a key IRGC-QF-run support network working with Hizballah, including IRGC-QF official Hasan Deghan Ebrahimi, his associates Muhammad Abd-al-Amir Farhat and Yahya al-Hajj, and several affiliated companies in Lebanon. This action was taken pursuant to E.O. 13224, which targets terrorists and those providing support to terrorists or acts of terrorism. The IRGC-QF was designated under E.O. 13224 on October 25, 2007 for its support to numerous terrorist groups.
- OFAC designated Ali Sharifi, an individual providing procurement and other services on behalf of the IRGC-QF. This action was taken pursuant to E.O. 13224.

"Iran's continued support for terrorism and development of its ballistic missile program poses a threat to the region, to our partners worldwide, and to the United States. Today's action is part of Treasury's ongoing efforts to counter Iranian malign activity abroad that is outside the scope of the JCPOA," said Acting OFAC Director John E. Smith. "We will continue to actively apply all available tools, including financial sanctions, to address this behavior."

As a result of this action, all property and interests in property of those designated today subject to U.S. jurisdiction are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

**Abdollah Asgharzadeh Network**

Abdollah Asgharzadeh is being designated for providing, or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, Shahid Hemmat Industrial Group (SHIG). Asgharzadeh is an Iranian businessman who has been procuring controlled and dual-use technology and materials for over a decade to support Iran's ballistic missile programs, primarily for SHIG. He has previously worked to procure items on behalf of Aerospace Industries Organization (AIO). AIO is the Iranian organization responsible for ballistic missile research, development, and production activities and organization, including SHIG and the Shahid Bakeri Industries Group (SBIG). AIO, SHIG, and SBIG were identified in the Annex of E.O. 13382 in June 2005.

Tenny Darian is being designated for providing, or attempting to provide, support for, or services in support of, Asgharzadeh, and for acting, or purporting to act for or on behalf of, directly or indirectly, Asgharzadeh. As an example of their procurement activities, Asgharzadeh and his associate Darian have sought to purchase and ship foreign-produced ball bearings, which are among the items required by SHIG to produce the Shahab-2 short range ballistic missile and Shahab-3 medium range ballistic missile.

Asgharzadeh and Darian have coordinated the procurement of dual-use and other goods for SHIG through intermediary companies that obfuscate that the goods are for SHIG and will support Iran's ballistic missile program.

East Star Company and Ofog Sabze Darya Company are two such Iran-based companies used for shipments of dual-use and missile-related items to Iran. East Star Company is being designated for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, Asgharzadeh. Ofog Sabze Darya Company is being designated for providing, or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, Asgharzadeh and Darian.

Since 2013, Asgharzadeh has relied on a network of trusted China-based brokers and their companies to assist his procurement of dual-use and other goods for SHIG. Asgharzadeh and Darian work with three China-based brokers – Richard Yue, a sales associate of Cosailing Business Trade Company; Jack Qin, an employee of Ningbo New Century Import and Export; and Carol Zhou – to import dual-use and other components and goods.

Yue is being designated for providing or attempting to provide financial or material support for Asgharzadeh. Cosailing Business Trading Company Limited is being designated for providing, or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, Asgharzadeh.

Yue and Cosailing Business Trading Company purchase goods from other China-based suppliers on behalf of Asgharzadeh. Yue and Cosailing Business Trading Company have both accepted financial compensation from Asgharzadeh and Darian in exchange for dual-use goods destined for Iran, including U.S.-origin goods.

Qin is being designated for providing, or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, Asgharzadeh and Darian.

He is another China-based intermediary for Asgharzadeh and arranges transport to Iran of goods destined for Asgharzadeh's customers, including SHIG, and accepts payment in return. Qin uses Ningbo New Century Import and Export Company, Ltd. to facilitate shipments for Asgharzadeh to Iran. Ningbo New

Century Import and Export Company, Ltd. is being designated for providing or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, Qin.

Zhou is being designated for providing, or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, Asgharzadeh and Darian.

#### Gulf-Based Rostamian Network

MKS International is being designated for providing financial, material, technological, or other support to AIO and SBIG. Since 2011, MKS International has been involved in procuring controlled and other technology and materials to support Iran's ballistic missile programs, primarily for AIO and SBIG. MKS International utilized multiple front companies in order to circumvent export laws and sanctions.

Kambiz Rostamian is MKS International's CEO and is being designated for acting for or on behalf of MKS International and Royal Pearl General Trading. He has dealt directly with and received payments from AIO for the procurement of goods. Rostamian has also acted as a direct intermediary to purchase parts through MKS.

Rostamian is also CEO of Royal Pearl General Trading, which is being designated for acting for or on behalf of MKS International. Royal Pearl General Trading is a front company for MKS International that has worked with SBIG and AIO to procure components for Iran's ballistic missile program.

#### Iran-based Network Working with Navid Composite and Mabrooka Trading

##### Ervin Danesh Aryan Company and Mostafa Zahedi

Ervin Danesh Aryan Company is being designated for providing, or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, Navid Composite. Navid Composite was designated pursuant to E.O. 13382 in December 2013 as an Iran-based subsidiary of U.S.- and UN-designated Sanam Industrial Group, an entity designated in July 2006 pursuant to E.O. 13382 for its involvement in Iran's ballistic missile program. Ervin Danesh Aryan Company created previously-designated Mabrooka Trading to import sanctioned goods into Iran. Mabrooka Trading was designated pursuant to E.O. 13382 in January 2016 for having provided, or attempted to provide, financial, material, technological, or other support to Navid Composite.

Ervin Danesh Aryan Company has contracted with Navid Composite since at least 2015 for the procurement of laboratory equipment. Ervin Danesh Aryan Company facilitated the financial transactions, transportation and shipping costs, and post-sale servicing for these goods on behalf of Navid Composite.

Mostafa Zahedi is being designated for acting or purporting to act for or on behalf of, directly or indirectly, Ervin Danesh Aryan Company and Mabrooka Trading. Zahedi, as an employee of Ervin Danesh Aryan Company, sought to acquire carbon fiber production equipment from foreign suppliers.

Zahedi also procured or attempted to procure via Mabrooka Trading carbon fiber-related production equipment from outside Iran on behalf of Navid Composite.

Zahedi and E.O. 13382-designated Hossein Pournaghshband, the Director of Mabrooka Trading, have procured for Mohammad Magham, the Managing Director of Navid Composite, and Navid Composite's PAN-based carbon fiber production line since at least 2014. Polyacrylonitrile (PAN) fibers are the chemical precursor of high-quality carbon fiber. Carbon fiber, found in high-tech and common daily applications, is used in missiles and solid propellant rocket motors. Zahedi used Pournaghshband to procure goods from foreign suppliers ultimately destined for Magham.

Since as early as mid-2014, Zahedi, occasionally acting as an employee of Mabrooka Trading, procured PAN and carbon fiber equipment from foreign suppliers for Ervin Danesh Aryan Company, on behalf of Navid Composite. He also coordinated financial transactions between suppliers and Navid Composite for these goods. Zahedi's procurement on behalf of Navid Composite was also in coordination with E.O. 13382-designated Chen Mingfu.

##### Mohammad Magham

Mohammad Magham is being designated for acting or purporting to act for or on behalf of, directly or indirectly, Navid Composite.

Since late 2014, Magham, Navid Composite's Managing Director, worked with Zahedi and Mabrooka Trading to procure goods from foreign suppliers for use in Navid Composite's carbon fiber production operations.

Navid Composite and Magham also contracted with other Iran-based companies in mid-2015 to supply PAN fiber. The PAN fiber was for Navid Composite's production facility in Rasht, Iran. Magham also worked directly with E.O. 13382-designated AIO Director Mehrdad Akhlaghi Ketabachi to manage the financials of Navid Composite. Ketabachi was designated in January 2016 pursuant to E.O. 13382 for acting or purporting to act for or on behalf of AIO.

##### Ghodrat Zargari and Zist Tajhiz Pooyesh Company

Ghodrat Zargari is being designated for providing, or attempting to provide, financial, material, technological, or other support for, or goods or services in support of, and for acting or purporting to act for or on behalf of, directly or indirectly, Mabrooka Trading. Zist Tajhiz Pooyesh Company is being designated for providing, or attempting to provide, material, technological, or other support for, or goods or services in support of, Mabrooka Trading.

Ghodrat Zargari has served as the Iran-based technical sales advisor for Mabrooka Trading and senior technical and marketing manager of Iran-based Zist Tajhiz Pooyesh Company. In this capacity, Zargari worked with Pournaghshband and Mabrooka Trading, as well as China-based broker and Mabrooka Trading associate Mingfu, to ship goods through China to Tehran, Iran.

#### Lebanon-Based IRGC-QF Network

Hasan Dehghan Ebrahimi, an RGC-QF official based in Beirut, Lebanon who maintains direct ties to senior IRGC-QF officials in Tehran, is being designated for acting for or on behalf of the RGC-QF. Ebrahimi has facilitated cash transfers to Hizballah worth millions of dollars, including through U.S.-designated Hizballah construction firm Wa'ad Company.

Muhammad Abd-al-Amir Farhat and Yahya al-Hajj are employees of Ebrahimi and are being designated today for acting for or on his behalf.

Ebrahimi and his employees use a network of Lebanon-based companies with ties to the broader Middle East to transfer funds, launder money, and conduct business. Ebrahimi is the manager of Maher Trading and Construction Company, which has been used to launder funds and smuggle goods to Hizballah and is co-located with Wa'ad Company in Beirut. Maher is being designated today for being owned or controlled by Ebrahimi.

3/9/2017

Treasury Sanctions Supporters of Iran's Ballistic Missile Program and Iran's Islamic Revolutionary Guard Corps – Qods Force

Reem Pharmaceutical, Mirage for Engineering and Trading, and Mirage for Waste Management and Environmental Services are being designated today for being owned or controlled by Muhammad Abd-al-Amir Farhat. Since 2011, Farhat has been the Chairman of the Board of Reem, a Lebanese pharmaceutical company that also does business in Iraq and Kuwait. In addition, he is the general manager of Mirage for Engineering and Trading, a Lebanon-based construction company that also manages projects in Iraq worth millions of dollars. Since 1999, Farhat has also been the general manager of Mirage for Waste Management and Environmental Services, a Lebanese environmental services company specializing in the cleaning, collection, recovery, disposal, and treatment of waste.

**Ali Sharifi**

Ali Sharifi is being designated for acting for or on behalf of the RGC-QF. As of 2015, Sharifi worked to procure aviation spare parts on behalf of the RGC-QF. Sharifi has also worked to procure other sensitive items from sources in the Middle East and China on behalf of the IRGC-QF.

For identifying information on the individuals and entities designated today, click [here](#).

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### Iran bans import of consumer goods from USA

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BBC Monitoring Newsfile

BBCMNF

English

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Iranian Minister of Industry, Mining and Commerce Mohammad Reza Ne'matzadeh has issued a circular on a **ban** on import of **consumer goods** from the USA, the ministry's news website Shatanews reported on 5 November.

According to Shatanews, the circular was sent to his deputies and heads of related organizations and bodies across the country in line with observing what Supreme Leader Ayatollah Ali Khamene'i has said about "not allowing import of US consumer goods which symbolize presence of the USA in the country".

Ne'matzadeh said in the circular: "Considering the emphasis expressed by the Supreme Leader in his letter to President Hassan Rouhani, dated 29 Mehr 1394 [21 October 2015], with regards to paying serious attention to resistance economy and the necessity of promoting national products, preventing uncontrolled import of goods, particularly avoiding import of consumer goods from the USA, it is necessary for all the heads and deputy heads of organizations to avoid import of consumer goods from the USA which symbolize the presence of the USA in the country."

Source: Iranian news website [insert name] in Persian 1047 gmt 5 Nov 15

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