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## Iran Hit With More U.S. Sanctions

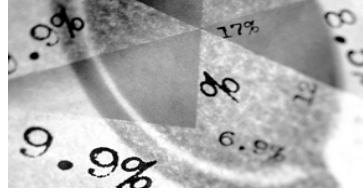
On Thursday, October 25, 2007, the State Department announced additional sanctions against Iran. Announced jointly by Secretary Rice and Treasury Secretary Paulson, the new sanctions are intended to undermine Iran's nuclear and terrorism-related activities. Specifically, the U.S. Government has designated various entities and individuals whose property and assets will be blocked (or "frozen") and with whom U.S. persons are prohibited from dealing. The designations were made under two existing Executive Orders – Nos. 13382 and 13224 – based on the designees' weapons proliferation activities and provision of material support to the Taliban and other terrorist organizations. The new designations will supplement the comprehensive U.S. sanctions against Iran already in place.

According to U.S. officials, the new sanctions are intended to allow the U.S. to financially isolate a large part of Iran's military and outside entities who transact business with it. Specifically, all property and interests in property in those designated, that are in the United States or come within the United States or that are or later come within the possession or control of U.S. persons (such as U.S. financial institutions), including their overseas branches, are blocked and may not be transferred, paid, exported withdrawn or otherwise dealt in.

The designations come on the heels of a statement earlier this month by Treasury's Financial Crimes Enforcement Network (FinCEN) highlighting the threat posed by Iran to the international financial system. Specifically, at the urging of the Financial Action Task Force (FATF), Treasury issued a warning to U.S. banks on October 16, 2007, detailing the risks posed by Iran, the most significant of any identified by FATF. Specifically, the warning noted that Iran's lack of a comprehensive regime devoted to anti-money laundering and to combating the financing of terrorism (AML/CFT). The new U.S. sanctions, which impose restrictions on some of Iran's largest banks, demonstrate that the U.S. Government takes seriously the potential impact Iran's threat poses both to U.S. and international financial systems.

The newly designated financial and other institutions are:

- The Islamic Revolutionary Guard Corps (IRGC)
- The Ministry of Defense and Armed Forces Logistics (MODAFL)
- Bank Saderat Iran
- The Islamic Revolutionary Guards Corps (IRGC) - Qods Force



- Bank Melli Iran (including Bank Kargoshaee, Bank Melli Iran Zao, Melli Bank PLC, Arian Bank)
- Bank Mellat (including Mellat Bank SB CJSC, Persia International Bank PLC)
- Khatam Ol Anbia Gharargah Sazandegi Nooh
- Oriental Oil Kish
- Ghorb Karbala
- Sepasad Engineering Company
- Ghorb Nooh
- Omran Sahel
- Sahel Consultant Engineers
- Hara Company
- Gharargahe Sazandegi Ghaem
- Morteza Rezaie
- Mohammad Hejazi
- Ali Akbar Ahmadian
- Hosein Salimi
- Qasem Soleimani
- Bahmanyar Morteza Bahmanyar
- Ahmad Vahid Dastjerdi
- Reza-Gholi Esmaeli

Although the U.S. sanctions are unilateral in nature, the United Nations (U.N.) has acted in concert with the U.S. Government to ensure that the restrictions have a global impact. In particular, elements of the IRGC and MODAFL were listed in Annexes to U.N. Security Council Resolutions 1737 (S/Res/1737 (2006)) and 1747 (S/Res/1747 (2007)), an action that has the same financial “freezing” effect as the U.S. Government designations. All U.N. 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. Further, the Member States are required to prevent funds or economic resources from being made available to them.

As the international momentum seems to be on an upswing, officials in the United Kingdom have openly backed the new U.S. sanctions, indicating that Britain is prepared to take the lead on a third U.N. resolution of sanctions and to support tougher European Union sanctions against Iran as well.



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