WISCONSIN PROJECT
ON NUCLEAR ARMS CONTROL

Secondary Sanctions on the Iranian Financial Sector Create De Facto Embargo with Lasting Implications for the Biden Administration

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Introduction

During their confirmation hearings last week in the U.S. Senate, President Joe Biden's key national security nominees noted that the new administration was prepared to return to the nuclear accord with Iran, but warned that such a return would not be swift. First, Iran would have to resume compliance with the accord's nuclear restrictions in a verifiable manner, according to Secretary of State designate Antony Blinken, at which point the United States would resume compliance as well. President Biden's choice for director of national intelligence, Avril Haines, estimated during her confirmation hearing that "we are a long ways from that."[1]

Compliance for the United States would mean reversing at least part of the Trump administration's "maximum pressure" campaign—a set of overlapping trade and financial restrictions on almost every part of Iran's economy. The outgoing administration made such a reversal more challenging, particularly as a result of the sanctions imposed on Iran's financial sector in the administration's final months.

On October 8, 2020, the United States designated Iran's financial sector pursuant to Executive Order (E.O.) 13902 and sanctioned eighteen Iranian banks.[2] In doing so, the U.S. Treasury Department applied secondary sanctions to Iran's entire financial sector for the first time, potentially barring foreign entities from the U.S. financial system should they do business with Iranian banks. The action also serves to illustrate the layered nature of U.S. sanctions against Iran: it builds upon existing sanctions broadly targeting the financial sector, with many banks having already been individually designated under counter-terrorism and nonproliferation authorities. Each layer of sanction has its own implications for reopening negotiations with Tehran or returning to the nuclear accord, which the Biden administration is expected to pursue.

According to the U.S. Treasury Department, the October action was part of an effort to isolate the financial sector and prevent Iran from acquiring U.S. dollars. A simultaneous State Department press release cited Iran's decades-long pattern of diverting financial resources to its armed forces—including, most recently, budget increases for the Islamic Revolutionary

[1] Arshad Mohammad and Humeyrah Pamuk, "U.S. is some ways from decision on resuming Iran nuclear deal: Blinken," Reuters, January 19, 2021, available at https://www.reuters.com/article/us-usa-biden-state-iran/u-s-is-some-ways-from-decision-on-resuming-iran-nuclear-deal-blinken-idUSKBN29O2HD, accessed on January 25, 2021.

[2] "Treasury Sanctions Eighteen Major Iranian Banks," U.S. Department of the Treasury, October 8, 2020, available at https://home.treasury.gov/news/press-releases/sm1147, accessed on November 17, 2020.

Guard Corps (IRGC) and the Basij, Iran's volunteer militia, proposed by Supreme Leader Ali Khamenei in March, when Iran was hard-hit by Covid-19.[3]

For years, Iranian financial institutions have conducted transactions on behalf of entities involved in nuclear and missile proliferation, supplied terrorist groups with cash, and diverted public funds to clandestine defense projects. Their foreign branches obtain currencies such as the U.S. dollar and the euro, which can be used to procure missile components and pay operatives in foreign conflict zones. Despite Tehran's promises to develop stronger oversight of the financial sector, it remains exceptionally prone to terrorist financing abuse. This lack of transparency led to Iran's 2008 placement on the Financial Action Task Force (FATF) blacklist and February 2020 implementation of full FATF countermeasures, as well as its October 2019 designation by the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) as a jurisdiction of primary money laundering concern.[4]

While many Iranian financial institutions have previously been targeted by U.S. sanctions, the October action marks a major expansion: it exposes any entity doing business with an Iranian financial institution to U.S. secondary sanctions. As financial transfers are necessary for nearly every business transaction, and most companies worldwide are unwilling to lose access to the U.S. financial system, this threat of secondary sanctions has the effect of imposing a near-global embargo on Iran. In keeping with standard practice, the Treasury Department issued several licenses to allow certain humanitarian trade to continue and allowed a 45-day wind-down period for affected businesses.[5]

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[3] "Sanctions on Iran's Financial Institutions," U.S. Department of State, October 8, 2020, available at https://2017-2021.state.gov/sanctions-on-irans-financial-institutions/index.html, accessed on January 25, 2021.

[4] "High-Risk Jurisdictions subject to a Call for Action – 21 February 2020," The Financial Action Task Force, available at http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-february-2020.html, accessed on October 21, 2020; "Imposition of Fifth Special Measure against the Islamic Republic of Iran as a Jurisdiction of Primary Money Laundering Concern," U.S. Department of the Treasury Financial Crimes Enforcement Network (FinCEN), 31 CFR Part 1010, October 25, 2019, available at https://www.fincen.gov/sites/default/files/2019-12/2019-23697.pdf, accessed on November 18, 2020.

[5] "Iran-related Designation Updates; Issuance of Iran-related General License; Publication of Iran-related Frequently Asked Questions," U.S. Department of the Treasury, October 8, 2020, available at https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20201008, accessed on November 17, 2020.

Layers of Sanctions on the Iranian Financial Sector

U.S. sanctions on Iran's financial sector have been built up over time. Each authority imposes penalties on entities designated pursuant to it and raises different considerations for de-listing. Table 1 contains a quick reference guide to four key authorities described below.

Table 1: Four Key U.S. Legal Authorities Used to Designate Iranian Entities				
Executive Order	**Year Implemented**	**Target**	**Scope**	**Secondary Sanctions?**
13224	2001	Terrorism	Individual entities	Yes
13382	2005	WMD proliferation	Individual entities	Yes
13599	2012	Iranian government and financial institutions	Whole sectors	No
13902	2020	Iranian economic sectors	Whole sectors	Yes

Executive Order 13902

The Trump administration issued E.O. 13902 in January 2020. This executive order authorizes the U.S. Treasury Department to designate entire sectors of the Iranian economy if revenue from these sectors is used by Iran's government to support malign activities such as terrorism and nuclear or missile proliferation. The construction, mining, manufacturing, and textiles sectors were named in the text of the order. E.O. 13902 also authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to identify additional sectors and then designate specific entities within those sectors.[6] The October action consisted of the Treasury Secretary identifying the financial sector and designating seventeen banks accordingly. Those banks are listed in Table 2 below. As described above, this authority includes secondary sanctions, potentially barring non-U.S. entities from the U.S. financial system—including the

[6] Executive Order 13902 of January 10, 2020: Imposing Sanctions With Respect to Additional Sectors of Iran, The Executive Office of the President, 85 FR 2003, pp. 2003-2006, available at https://www.federalregister.gov/documents/2020/01/14/2020-00534/imposing-sanctions-with-respect-to-additional-sectors-of-iran, accessed on November 17, 2020. Iran's energy, shipping, shipbuilding, and automotive sectors are separately targeted by U.S. sanctions (including secondary sanctions) first implemented prior to the JCPOA, and reinstated in 2018 pursuant to Executive Order 13846. The United States has designated several entities operating in or doing business with those sectors throughout 2020.

ability to carry out U.S. dollar-denominated transfers using established international financial channels—should they do business with any Iranian bank.

Executive Order 13599

Notably, all the banks designated in October had previously been identified as Iranian financial institutions under E.O. 13599, a 2012 executive order targeting Iranian financial institutions and government-owned assets held in the United States or by U.S. persons, including assets owned by the Central Bank of Iran. E.O. 13599 was issued by the Obama administration in response to "the deceptive practices of the Central Bank of Iran and other Iranian banks to conceal transactions of sanctioned parties."[7]

While designating the same sector under multiple legal authorities may seem duplicative, each authority has a unique purpose and effect. E.O. 13599 was designed to deter American nationals and businesses from dealing with Iran's financial sector after the Treasury Department named Iran as a "Jurisdiction of Primary Money Laundering Concern" in 2012. It therefore applies only to U.S. entities, in contrast to E.O. 13902, which also applies to non-U.S. entities.

Executive Order 13382

One of the banks targeted in October, Hekmat Iranian Bank, was designated pursuant to E.O. 13382, a 2005 order that targets proliferators of weapons of mass destruction (WMD) and their delivery systems. Hekmat Bank was acquired in May 2020 by Bank Sepah, an entity previously subject to U.N. sanctions for its involvement in proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems. Bank Sepah was designated under E.O. 13382 in November 2018. It allegedly is wholly owned by the Islamic Revolutionary Guards Corps (IRGC) and helps to fund missile research and development.[8] The bank also provides financing to Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) for illicit

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[7] "Executive Order 13599: Blocking Property of the Government of Iran and Iranian Financial Institutions," The Executive Office of the President, February 5, 20102, available at https://www.govinfo.gov/content/pkg/DCPD-201200083/pdf/DCPD-201200083.pdf, accessed on November 18, 2020.

[8] Emanuele Ottolenghi, "Common Threats, Different Approaches," Remarks Delivered Before The 37th Interparliamentary Meeting Between European Parliament and Knesset, November 23, 2011, available at https://www.fdd.org/analysis/2011/11/23/common-threats-different-approaches/, accessed on January 12, 2021.

procurement abroad.[9] Hekmat Bank became liable for Bank Sepah's sanctionable activity after the two banks merged.

Unlike E.O.s 13902 and 13599, E.O. 13382 does not target Iran specifically but is applied to individuals and entities that have conducted or supported a particular activity: proliferation of WMD. Like E.O. 13902, entities designated pursuant to E.O. 13382 are subject to secondary sanctions. At least 10 other Iranian banks have active designations under E.O. 13382 for their support of WMD proliferation (see Table 3 below). Each of these designations would require individual review by U.S. authorities before removal.

Executive Order 13224

The Central Bank of Iran (CBI) oversees every bank listed in the October action. The Treasury Department previously designated the CBI pursuant to E.O. 13224, a 2001 executive order which targets terrorists and those providing support to terrorists or acts of terrorism. The CBI has processed transactions linked to the IRGC Qods Force and Lebanese Hizballah, both of which are designated as Foreign Terrorist Organizations by the State Department. As with E.O.s 13902 and 13382, designations pursuant to E.O. 13224 include secondary sanctions. Currently, at least 13 Iranian banks are designated under this authority (see Table 3 below). Because E.O. 13224 is a counter-terrorism authority, U.S. officials would have to establish that the CBI no longer finances Iranian terror proxies in order to remove its designation.

Other Relevant Legal Bases

Although the United States commonly applies the four executive orders described above to sanction Iranian financial institutions, it also employs other legal bases for that purpose. For instance, the Treasury Department has designated three bonyads—ostensibly charitable organizations that manage investments used to fund malign activities—pursuant to E.O. 13876, a 2019 order targeting entities controlled by the Supreme Leader of Iran.[10] All financial

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[9] "Treasury Sanctions Eighteen Major Iranian Banks," U.S. Department of the Treasury, available at https://home.treasury.gov/news/press-releases/sm1147.

[10] "Treasury Targets Billion Dollar Foundations Controlled by Iran's Supreme Leader," U.S. Department of the Treasury, January 13, 2021, available at https://home.treasury.gov/news/press-releases/sm1234, accessed on January 13, 2021; "Treasury Targets Vast Supreme Leader Patronage Network and Iran's Minister of Intelligence," U.S. Department of the Treasury, November 18, 2020, available at https://home.treasury.gov/news/press-releases/sm1185, accessed on January 13, 2021.

transactions between U.S. and Iranian entities are also governed by the Iran Financial Sanctions Regulations (IFSR), which draw from a number of U.S. legal authorities.

The Evolution and Convergence of Sector-Based and Secondary Sanctions

The United States, the European Union, and a number of other governments have historically used targeted sanctions to hinder or punish specific entities engaged in malign behavior. More recently, the United States has also employed sector-based designations with secondary sanctions liability, which target non-U.S. entities for doing business with any Iranian entity operating in a designated sector. Sector-based sanctions seek to constrain the sanctioned state's ability to fund malign activities by targeting broad sectors of its economy, and secondary sanctions expose non-U.S. entities to U.S. penalties if they interact with those economic sectors. When combined, the two have a sweeping impact.

Sector-Based Sanctions

U.S. sector-based sanctions, such as those contained in E.O.s 13902 and 13599, do not require a direct link between the target and malign activity. Instead, any tie to the Iranian government—including as a revenue source—constitutes sanctionable behavior. Most of Iran's major industries operate with significant government involvement. IRGC officials and retired government leaders often serve on company boards, while major construction projects are awarded to government-owned firms in opaque bidding processes. Experts have also cited the Iranian economy for its high degree of corruption, including rent seeking, tax evasion, and money laundering condoned by the government to ensure that corporate power remains concentrated in the hands of loyalists.[11] As a result, U.S. sector-based sanctions have expanded since 2010 to encompass several of Iran's major economic sectors, including energy, shipping, manufacturing, mining, and construction.

Secondary Sanctions

The United States' use of secondary sanctions has also expanded over the years. Secondary sanctions designations function as a warning to third parties that doing business with the sanctioned entity may incur penalties from the United States. Although secondary sanctions

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[11] Pooya Azadi, "The Structure of Corruption in Iran," *The Iran 2040 Project,* Stanford University, August 2020, available at https://iranian-studies.stanford.edu/sites/g/files/sbiybj6191/f/publications/the_structure_of_corruption_in_iran.pdf, accessed on January 5, 2021.

emerged in the 1990s as part of the Iran Sanctions Act (ISA), the United States did not fully implement them at that time.[12] Key allies, including the European Union, have long objected to the extraterritorial nature of the sanctions.

Between 2010 and 2013, the United States enacted a series of laws and executive orders containing secondary sanctions intended to constrain Iran's oil trade, and accompanied them with diplomatic pressure on state purchasers of Iran's energy products. Iranian oil exports fell shortly thereafter.[13] U.S. designations, including secondary sanctions designations, slowed between 2013 and 2016 during the negotiation of the Joint Comprehensive Plan of Action (JCPOA), but were still applied to entities involved in terrorism, ballistic missile development, and human rights abuses. Designations, and secondary sanctions designations in particular, increased after Washington's 2018 withdrawal from the JCPOA and subsequent "maximum pressure" campaign against Iran.

In effect, secondary sanctions force international companies to choose between doing business with designated entities and preserving access to the U.S. financial system. The Treasury Department may impose correspondent account restrictions on these companies if they have knowingly conducted transactions involving designated entities, which effectively cuts them off from international banking channels that carry out transactions using the U.S. dollar. Because of the U.S. dollar's importance in the global economy, the increasing use of secondary sanctions designations against Iranian entities has led companies around the world to curtail their Iranian operations, if not end them entirely.

Executive Order 13902: Secondary and Sector-Based Sanctions Combined

The October designation of the financial sector pursuant to E.O. 13902 is significant because, out of all the sectors of Iran's economy, finance is arguably the most central, and secondary sanctions on it have the greatest effect.

The impact of secondary sanctions on industrial sectors such as textiles and mining is mostly limited to those specific industries; foreign companies deterred from importing Iranian textiles could, in theory, import different goods from a sector that is not sanctioned. Secondary

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[12] Kenneth Katzman, "Iran Sanctions," Congressional Research Service, December 2, 2011, available at https://www.cfr.org/content/publications/attachments/RS20871.pdf, accessed on December 9, 2020.
[13] "Brief History of US Sanctions on Iran," Columbia Center on Global Energy Policy, July 21, 2017, available at https://www.energypolicy.columbia.edu/research/brief-history-us-sanctions-iran, accessed on December 9, 2020.

sanctions on the financial sector, however, apply to almost all trade with Iran. To trade with Iranian companies, foreign companies need to move money into and out of Iran and settle transactions in the Iranian rial. Iranian financial institutions would normally handle these routine financial transactions, but now foreign companies risk U.S. secondary sanctions if they continue to interact with Iranian banks.

Thus, October's secondary sanctions on the financial sector have essentially created a *de facto* embargo on the entire Iranian economy, which companies around the world must follow unless they are willing to swallow the considerable losses incurred by a U.S. sanctions designation. According to John Smith, a former director of the U.S. Treasury Office of Foreign Assets Control, "Other than food, medicine, medical products, and a handful of other commodities, those banks [designated in October] are now off-limits for companies around the world that were doing some limited business, that was still not sanctionable, with Iran."[14]

The Longevity of Layered Sanctions

A decision by the Biden administration to return to the JCPOA or to offer Iran sanctions relief in the context of negotiations would require reversing some of the sanctions imposed by the previous administration. On the surface, this may appear straightforward. Sanctions are implemented by executive orders, which can be revoked by the President. For example, President Barack Obama revoked four executive orders underpinning various sanctions on Iran in January 2016, in the context of U.S. adherence to the JCPOA.[15]

Such a reversal is complicated by the way in which the Trump administration layered multiple sanctions on key Iranian entities and sectors. The administration designated entities not only for their connections to specific sectors that provide revenue to the government of Iran, but also for their connections to one or more types of illicit activity, such as proliferation, cyberattacks, human rights violations, or terrorism.

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[14] "Iran Watch Listen: The U.S. Treasury Department and the Future of U.S. Sanctions on Iran," Iran Watch, November 25, 2020, available at https://www.iranwatch.org/our-publications/interviews-podcasts/iran-watch-listen-us-treasury-department-future-us-sanctions-iran, accessed on January 13, 2021.

[15] "Executive Order -- Revocation of Executive Orders 13574, 13590, 13622, and 13645 with Respect to Iran, Amendment of Executive Order 13628 with Respect to Iran, and Provision of Implementation Authorities for Aspects of Certain Statutory Sanctions," The White House, January 16, 2016, available at https://obamawhitehouse.archives.gov/the-press-office/2016/01/16/executive-order-revocation-of-executive-orders-with-respect-to-Iran, accessed on January 13, 2021.

Sector-based sanctions, such as the October 2020 designation of Iran's financial sector pursuant to E.O. 13902, apply broad pressure but may be easier to remove in the context of a political agreement than sanctions targeting specific malign actions. The financial sector's designation was a discretionary act by the Secretary of the Treasury, and not mandated by law. Its revocation would be relatively simple for the Biden administration, if it were inclined to do so. The removal could be offered as an incentive to Iran.

Yet the practical effect of revoking the financial sector's designation, or E.O. 13902 entirely, may be limited. The action would reopen a formal pathway for foreign trade with Iran, but economic opening might remain difficult in practice because many Iranian banks have also been specifically designated for other reasons. Approximately 20 Iranian financial institutions are designated individually under counter-terrorism or nonproliferation authorities.[16] These designations—which include secondary sanctions—would remain in force until the specific entity changes its behavior or Iran is no longer seen as posing a proliferation or terrorism threat. The Trump administration devoted much of its final sanctions push to layering terrorism and proliferation-related designations on entities already subject to U.S. sanctions—thus making the sanctions harder to truly unwind.

Furthermore, several banks designated in October 2020 have connections to illicit activity, and would remain vulnerable to targeted sanctions, even if the E.O. 13902 is suspended or revoked. Some, including Sarmayeh Bank, Bank Shahr, and Eghtesad Novin Bank, were implicated in the Halkbank sanctions evasion case, wherein Turkish-Iranian businessman Reza Zarrab transferred $20 billion in frozen funds at the behest of Iran's government between 2012 and 2016.[17] Mehr Bank was created by an IRGC-led bonyad, Bonyad Taavon Sepah, to serve the Basij, Iran's repressive paramilitary reserve force.[18] Amin Investment Bank was also designated in 2013 for

[16] C4ADS Sanctions Explorer results for Iran-linked financial institutions designated under E.O. 13382 or E.O. 13224 (https://sanctionsexplorer.org/search).

[17] Brief, United States of America v. Mehmet Hakan Atilla et al., Case No: 18-1910, Court of Appeals for the Second Circuit, December 6, 2018, p. 3, available via PACER, November 17, 2020; John Caves III and Meghan Peri Crimmins, "Major Turkish Bank Prosecuted in Unprecedented Iran Sanctions Evasion Case," Iran Watch, March 31, 2020, available at https://www.iranwatch.org/our-publications/articles-reports/major-turkish-bank-prosecuted-unprecedented-iran-sanctions-evasion-case#_ftn22, accessed on November 17, 2020.

[18] "Fact Sheet: Treasury Designates Iranian Entities Tied to the IRGC and IRISL," U.S. Department of the Treasury, December 21, 2010, available at https://www.treasury.gov/press-center/press-releases/Pages/tg1010.aspx, accessed on November 19, 2020.

being a part of the Execution of Imam Khomeini's Order (EIKO) network, a nebula of businesses created to generate and control hidden investments benefiting senior Iranian leaders.[19]

The U.S. implementation of the JCPOA in 2016 offers an illustrative example. More than 100 entities designated for involvement in Iran's nuclear program were de-listed, while those listed for other reasons, such as support for Iran's ballistic missile program and terrorist financing, remained under sanctions.[20] In consequence, Iran's economy experienced a modest recovery after the JCPOA went into effect, as individual designations were suspended and international businesses reassessed the risk of trade with Iran. Uncertainty over the remaining sanctions prevented Iran from realizing its hoped-for economic gains from the accord.

The Biden administration may decide to suspend or revoke some of the sanctions imposed by the previous administration in the context of renewed negotiations with Iran or a return to the JCPOA. However, if secondary sanctions remain on many Iranian financial institutions, the economic benefit to Iran might remain limited.

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[19] "Treasury Targets Assets of Iranian Leadership," U.S. Department of the Treasury, June 4, 2013, available at https://www.treasury.gov/press-center/press-releases/Pages/jl1968.aspx, accessed on December 9, 2020.

[20] C4ADS Sanctions Explorer results for Iranian entities de-listed on January 1, 2016 under the E.O. 13382 sanctions program (https://sanctionsexplorer.org/search); U.S. Department of the Treasury SDN List, available at https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists.

Appendix

Table 2: Entities Designated by the U.S. Treasury Department Pursuant to E.O. 13902 on October 8, 2020*	
Entity	**Description**
Amin Investment Bank	Iranian financial institution in the Execution of Imam Khomeini's Order (EIKO) international financial network, a U.S.-sanctioned organization that acts on behalf of the Government of Iran.
Bank Keshavarzi Iran	Iranian financial institution specializing in agricultural banking.
Bank Maskan	Iranian financial institution specializing in housing.
Bank Refah Kargaran	Iranian financial institution controlled by the Social Security Organization of Iran.
Bank-e Shahr	Iranian financial institution.
Eghtesad Novin Bank	Iranian financial institution, also known as EN Bank.
Gharzolhasaneh Resalat Bank	Iranian financial institution.
Iran Zamin Bank	Iranian financial institution.
Islamic Regional Cooperation Bank	Iranian financial institution owned by Eghtesad Novin Bank.
Karafarin Bank	Iranian financial institution.
Khavarmianeh Bank	Iranian financial institution, also known as Middle East Bank.
Mehr Iran Credit Union Bank	Iranian financial institution specializing in personal loans.
Pasargad Bank	Iranian financial institution.
Saman Bank	Iranian financial institution.
Sarmayeh Bank	Iranian financial institution.
Tosee Taavon Bank	Iranian financial institution specializing in banking for cooperatives.
Tourism Bank	Iranian financial institution specializing in banking for the tourism industry.

*All previously designated under E.O. 13599.

Source: "Treasury Sanctions Eighteen Major Iranian Banks," U.S. Department of the Treasury, October 8, 2020, available at https://home.treasury.gov/news/press-releases/sm1147, accessed on November 17, 2020.

Table 3: Additional Iranian Financial Institutions Designated by the United States*		
Entity	**Description**	**Designation Authority**
Ansar Bank	Iranian financial institution owned by Bonyad Taavon Sepah (Foundation for the Support of the IRGC)	E.O. 13224 E.O. 13382 E.O. 13599
Bank Kargoshaee	Iranian financial institution owned by Bank Melli.	E.O. 13224 E.O. 13382
Bank Keshavarzi Iran	Iranian financial institution specializing in agricultural banking.	E.O. 13599
Bank Markazi/Central Bank of Iran	Iran's central bank and monetary authority.	E.O. 13224 E.O. 13599
Bank Mellat	Iranian financial institution serving the Atomic Energy Organization of Iran (AEOI) and other government entities.	E.O. 13224 E.O. 13382 E.O. 13599
Bank Melli	Iranian financial institution supporting nuclear and missile programs.	E.O. 13224 E.O. 13599
Bank of Industry and Mines	Iranian financial institution aiding other Iranian banks to evade sanctions.	E.O. 13382 E.O. 13599
Bank Saderat	Iranian financial institution used by the Iranian government to transfer funds to terrorist organizations.	E.O. 13224 E.O. 13599
Bank Sepah	Iranian financial institution serving Iran's Ministry of Defense and Armed Forces Logistics (MODAFL).	E.O. 13382 E.O. 13599
Day Bank	Iranian financial institution serving the Martyrs Foundation, a group that supports terrorism.	E.O. 13224 E.O. 13599
Europaisch-Iranische Handelsbank AG	Iranian-German financial institution partially owned by the Bank of Industry and Mines.	E.O. 13382 E.O.13599
Export Development Bank of Iran	Iranian financial institution serving MODAFL.	E.O. 13224 E.O. 13382 E.O. 13599
Future Bank	Joint venture between Bank Saderat, Bank Melli, and Ahli United Bank to facilitate banking between Iran and Bahrain.	E.O. 13224 E.O. 13599
Hekmat Iranian Bank	Iranian financial institution owned by Bank Sepah.	E.O. 13382 E.O. 13599
Iran-Venezuela Bi-National Bank	Joint venture between Banco Industrial de Venezuela and the Export Development Bank of Iran to process oil transactions.	E.O. 13224 E.O. 13599

Kish International Bank	Iranian financial institution owned by Bank Refah.	E.O. 13599
Mehr Bank	Iranian financial institution owned by Bonyad Taavon Sepah (Foundation for the Support of the IRGC).	E.O. 13224 E.O. 13382 E.O. 13599
Parsian Bank	Iranian financial institution linked to the Basij.	E.O. 13224 E.O. 13599
Post Bank of Iran	Iranian financial institution acting on behalf of Bank Sepah.	E.O. 13382 E.O. 13599

* This list is not exhaustive. It includes the principal entities operating in Iran's financial sector. Many of these entities control subsidiaries, front companies, investment companies, and/or currency exchanges that are designated under the same authorities. Bonyads, ostensibly charitable organizations that manage large investment portfolios, are not included in this table.

Source: U.S. Department of the Treasury SDN List, available at https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists.

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About the Wisconsin Project

The Wisconsin Project on Nuclear Arms Control is a non-profit, non-partisan organization based in Washington D.C. that conducts research, advocacy, and public education designed to inhibit the spread of nuclear, chemical, and biological weapons and the missiles to deliver them. The organization was founded in 1986 by Gary Milhollin, in cooperation with the University of Wisconsin.

The Wisconsin Project's mission is to reduce the risk that exports will accelerate the proliferation of weapons of mass destruction. The Project helps governments comply with the export restrictions in international agreements, and helps them ensure that their national controls on strategic goods are enforced. The Project also publicizes clandestine transactions in these goods, and draws attention to weaknesses in trade agreements and national laws. Through its research, testimony, and publications, the Project has influenced the export policies of major supplier countries.

About Iran Watch

Iran Watch is a website published by the Wisconsin Project that monitors Iran’s capability for building nuclear weapons and long-range missiles. The purpose of the website is to increase public awareness of the strategic situation in Iran and to make detailed knowledge of Iran’s weapon potential available to policymakers, the media, private scholars, and the general public.

Through Iran Watch, the Wisconsin Project provides an objective resource for monitoring and assessing the implementation of the nuclear agreement, or Joint Comprehensive Plan of Action (JCPOA). The site contains thousands of primary source documents related to Iran, as well as reports on Iran's nuclear and missile programs, profiles of the entities involved in or supporting these programs, and analysis of the international effort halt them.