



OCC 2008-13
OCC BULLETIN

Comptroller of the Currency
Administrator of National Banks

Subject: **Bank Secrecy Act/Anti-Money Laundering**

Description: **Guidance to Financial Institutions on the Continuing Money Laundering Threat Involving Illicit Iranian Activity**

Date: May 1, 2008

TO: Chief Executive Officers, BSA Officers, and Compliance Officers of All National Banks; Federal Branches and Agencies; Department and Division Heads; and All Examining Personnel.

On March 20, 2008, the Financial Crimes Enforcement Network (FinCEN) issued guidance to supplement information previously provided to financial institutions on serious deficiencies existing in the anti-money laundering systems of the Islamic Republic of Iran.

The guidance follows the February 28, 2008, statement issued by the Financial Action Task Force (FATF) reiterating its concern about continuing deficiencies in Iran's anti-money laundering and combating the financing of terrorism (AML/CFT) system. In addition, on March 3, 2008, the United Nation's (UN) Security Council passed Resolution 1803 (UNSCR 1803), calling on all states to exercise vigilance over activities of financial institutions in their territories with all banks domiciled in Iran and their branches and subsidiaries abroad. The FATF statement, combined with the UN's specific call for vigilance, illustrates the increasing risk to the international financial system posed by the Iranian financial sector, including the Central Bank of Iran.

The guidance urges financial institutions to take into account the risk arising from the deficiencies in Iran's AML/CFT regime, as well as all applicable United States and international sanctions programs, with regard to any possible transactions with the Iranian institutions listed in the advisory.

/signed/

Ann F. Jaedicke
Deputy Comptroller for Compliance Policy

Attachment:

- FinCEN Guidance
[<http://www.fincen.gov/fin-2008-a002.pdf>]



Department of the Treasury Financial Crimes Enforcement Network

Advisory

FIN-2008-A002

Issued: March 20, 2008

Subject: Guidance to Financial Institutions on the Continuing Money Laundering Threat Involving Illicit Iranian Activity

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to supplement information previously provided¹ on serious deficiencies present in the anti-money laundering systems of the Islamic Republic of Iran. The Financial Action Task Force (FATF) stated in October 2007 that Iran's lack of a comprehensive anti-money laundering and combating the financing of terrorism (AML/CFT) regime represents a significant vulnerability in the international financial system. In response to the FATF statement, Iran passed its first AML law in February 2008. The FATF, however, reiterated its concern about continuing deficiencies in Iran's AML/CFT system in a statement on February 28, 2008. Further, on March 3, 2008, the United Nations Security Council passed Resolution 1803 (UNSCR 1803), calling on all states to exercise vigilance over activities of financial institutions in their territories with all banks domiciled in Iran and their branches and subsidiaries abroad. The FATF statement, combined with the UN's specific call for vigilance, illustrates the increasing risk to the international financial system posed by the Iranian financial sector, including the Central Bank of Iran.

Iran's AML/CFT deficiencies are exacerbated by the Government of Iran's continued attempts to conduct prohibited proliferation related activity and terrorist financing. Through state-owned banks, the Government of Iran disguises its involvement in proliferation and terrorism activities through an array of deceptive practices specifically designed to evade detection. The Central Bank of Iran and Iranian commercial banks have requested that their names be removed from global transactions in order to make it more difficult for intermediary financial institutions to determine the true parties in the transaction. They have also continued to provide financial services to Iranian entities designated by the UN Security Council in its Resolutions 1737 and 1747. The U.S. Department of the Treasury is particularly concerned that the Central Bank of Iran may be facilitating transactions for sanctioned Iranian banks.

UNSCR 1803 calls on member 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. While Bank Melli and Bank Saderat were specifically noted, the United States urges all financial institutions to take into account the risk arising from the deficiencies in Iran's AML/CFT regime, as well as all applicable U.S. and international sanctions programs, with regard to any possible transactions with the following Iranian institutions:

¹ See "Guidance to Financial Institutions on the Increasing Money Laundering Threat Involving Illicit Iranian Activity," FIN-2007-A001, October 16, 2007.

| NAME | LOCATION |
|--|--|
| AGRICULTURAL BANK (a.k.a. BANK KESHAVARZI) | Tehran, Iran |
| AGRICULTURAL COOPERATIVE BANK OF IRAN (a.k.a. BANK TAAVON KESHAVARZI IRAN) | Tehran, Iran |
| AGRICULTURAL DEVELOPMENT BANK OF IRAN (a.k.a. BANK JOSIAIYI KESHAHVARI) | Tehran, Iran |
| ARIAN BANK (a.k.a. ARYAN BANK) | Kabul, Afghanistan |
| BANCO INTERNACIONAL DE DESARROLLO SA | Caracas, Venezuela |
| BANK KARGOSHAEE | Tehran, Iran |
| BANK MASKAN (a.k.a. HOUSING BANK (of Iran)) | Tehran, Iran |
| BANK MELLAT | Tehran, Iran |
| BANK MELLAT | Seoul, South Korea |
| BANK MELLAT | Ankara, Istanbul, Izmir, Turkey |
| BANK MELLI IRAN | Tehran, Iran |
| BANK MELLI IRAN | Paris, France |
| BANK MELLI IRAN | Hamburg, Germany |
| BANK MELLI IRAN | Central, Hong Kong |
| BANK MELLI IRAN | Baghdad, Iraq |
| BANK MELLI IRAN | Muscat, Oman |
| BANK MELLI IRAN | Al Ain, Deira, Dubai City, Fujairah, Ras al-Khaimah, and Sharjah, United Arab Emirates |
| BANK MELLI IRAN ZAO | Moscow, Russia |
| BANK OF INDUSTRY AND MINE (of Iran) (a.k.a. BANK SANAD VA MADAN) | Tehran, Iran |
| BANK REFAH (f.k.a. WORKERS WELFARE BANK, f.k.a. BANK REFAH KARGARAN) | Tehran, Iran |
| BANK SADERAT IRAN | Tehran, Iran |
| BANK SADERAT | Paris, France |
| BANK SADERAT | Frankfurt, Hamburg, Germany |
| BANK SADERAT | Athens, Greece |
| BANK SADERAT | Baalbak, Beirut, Saida, Lebanon |
| BANK SADERAT | Muscat, Oman |
| BANK SADERAT | Doha, Qatar |
| BANK SADERAT | Ashgabat, Turkmenistan |
| BANK SADERAT | Abu Dhabi, Ajman, Al Ain, Dubai City, Sharjah, United Arab Emirates |
| BANK SADERAT PLC | London, United Kingdom |

| | |
|---|----------------------------------|
| BANK SADERAT TASHKENT | Tashkent, Uzbekistan |
| BANK SEPAH | Tehran, Iran |
| BANK SEPAH | Paris, France |
| BANK SEPAH | Frankfurt, Germany |
| BANK SEPAH | Rome, Italy |
| BANK SEPAH INTERNATIONAL PLC | London, United Kingdom |
| BANK TEJARAT | Tehran, Iran |
| BANK TEJARAT | Paris, France |
| BANK TEJARAT | Dusanbe, Tajikistan |
| THE CENTRAL BANK OF IRAN (a.k.a. BANK MARKAZI JOMHOURI ISLAMI IRAN) | Tehran, Iran |
| EUROPAEISCH-IRANISCHE HANDELSBANK AG (f.k.a. DEUTSCH-IRANISCHE HANDELSBANK AG) | Hamburg, Germany |
| EUROPAEISCH-IRANISCHE HANDELSBANK AG (f.k.a. DEUTSCH-IRANISCHE HANDELSBANK AG) | Tehran, Iran |
| EXPORT DEVELOPMENT BANK OF IRAN (a.k.a. BANK TOWSEH SADERAT IRAN) | Tehran, Iran |
| FUTURE BANK B.S.C. | Manama, Bahrain |
| IRAN OVERSEAS INVESTMENT BANK PLC (a.k.a. IRAN OVERSEAS INVESTMENT CORPORATION LIMITED) | London, United Kingdom |
| KARGOZARI BANK TEJARAT | Tehran, Iran |
| MELLAT BANK DB AOZT (a.k.a. MELLAT BANK S/B CJSC) | Yerevan, Armenia |
| MELLAT BANK S/B CJSC (a.k.a. MELLAT BANK DB AOZT) | Yerevan, Armenia |
| MELLI BANK PLC. | London, United Kingdom |
| PERSIA INTERNATIONAL BANK PLC. | London, United Kingdom |
| PERSIA INTERNATIONAL BANK PLC. | Dubai City, United Arab Emirates |

Privately Owned Iranian Financial Institutions

| NAME | LOCATION |
|---|--------------|
| BANK PASARGAD | Tehran, Iran |
| EN BANK PJSC (a.k.a. EGHTESAD-E-NOVIN BANK) | Tehran, Iran |
| KARAFARIN BANK | Tehran, Iran |
| PARSIAN BANK | Tehran, Iran |
| POST BANK OF IRAN | Tehran, Iran |
| SAMAN BANK CORPORATION | Tehran, Iran |
| BANK SARMAYE | Tehran, Iran |

Financial institutions also are reminded of the existing U.S. sanctions that are administered by the Department of the Treasury's Office of Foreign Assets Control (OFAC) with respect to Iran and the Government of Iran, including but not limited to Iranian Government-owned banks, as well as other sanctions imposed on Iranian entities that have been linked to terrorist activity and the proliferation of weapons of mass destruction. Information about these sanctions is available on OFAC's website at <http://www.treasury.gov/offices/enforcement/ofac/>.