

# U.S. Treasury Sanctions UK Individuals and Businesses for Dealings with Iranian Commercial Airline

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Yesterday, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) [designated UK-based individuals and businesses](#) for their dealings with Mahan Air, a commercial Iranian airline. OFAC [designated this airline](#) in 2011 pursuant to its counterterrorism authority for providing support to the IRGC-Qods Force. U.S. individuals and businesses are now generally prohibited from any dealings with these UK designees. Secondary sanctions also attach to terrorism-related listings. Foreign financial institutions that knowingly facilitate or conduct significant financial transactions for these designees could be prohibited from maintaining correspondent accounts at U.S. banks.

OFAC has firmly established authority to derivatively designate businesses that provide support or services to designated Iranians, irrespective of the nationality or location of those businesses. The recent lifting of certain secondary sanctions does not limit this authority. In fact, derivative designations against companies in Europe and Asia will likely increase in the near term.

The designations clearly demonstrate how sanctions targeting Iran's support for international terrorism, in addition to the continuing U.S. embargo, creates considerable challenges for any Europeans seeking Iranian business. These compliance hurdles have forced international banks to deny servicing Iranian trade. Banks operating under Consent Orders or Deferred Prosecution Agreements arising from their past sanctions violations will be especially hesitate to provide financial services involving Iran.

Ayatollah Ali Khamenei recently expressed his frustration with the unwillingness of international banks to facilitate Iranian-related trade finance. According to [open source reporting](#), he stated in a televised address "the Americans have not acted on their promises and (only) removed the sanctions on paper." In fact, the United States has met its commitments under the Joint Comprehensive Plan of Act (JCPOA) through the removal of certain secondary sanctions and the issuance of [General License H](#).

We will continue to monitor developments in sanctions targeting European trade with Iran and issue updates as significant events occur.

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