



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter  
FIL-140-2008  
December 8, 2008

## Office of Foreign Assets Control

### Treasury Revokes Iran's "U-Turn" License

**Summary:** The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) amended the Iranian Transactions Regulations (ITR), effective November 10, 2008, by revoking an authorization previously granted to U.S. depository institutions to process "U-Turn" transfers.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**

Chief Executive Officer  
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**Related Topics:**

Office of Foreign Assets Control

**Attachment:**

[Iranian Transactions Regulations Amended](http://www.treas.gov/offices/enforcement/ofac/actions/20081110.shtml)  
<http://www.treas.gov/offices/enforcement/ofac/actions/20081110.shtml>

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**Note:**

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**Highlights:**

- Effective November 10, 2008, OFAC will no longer allow U.S. depository institutions to process "U-Turn" transfers under the ITR.
- A "U-turn" transfer consists of:
  - (1) Initiating a dollar-denominated transaction offshore by order of a foreign bank's customer;
  - (2) Transferring the dollar-denominated amount from a correspondent account held by a domestic bank for the foreign bank to a correspondent account held by another domestic bank for a different foreign bank; and
  - (3) Ultimately transferring the funds offshore as a dollar-denominated account of the second foreign bank's customer.
- Prohibiting "U-Turn" transfers eliminates the financial benefit to Iranian banks or other persons in Iran or the Government of Iran.
- This amendment does not revoke existing authorizations under the ITR for transactions relating to humanitarian aid and other legitimate activities.
- OFAC information is available at <http://www.treas.gov/offices/enforcement/ofac>.
- If you have questions, please call OFAC's Compliance Programs Division at 1-800-540-6322.