



OFAC Bulletin

OFAC has amended the Iranian Transactions Regulations (ITR) to cut off Bank Saderat, one of Iran's largest government-owned banks, from the U.S. financial system. Bank Saderat has been a significant facilitator of Hizballah's financial activities and has served as a conduit between the Government of Iran and Hizballah, Hamas, the Popular Front for the Liberation of Palestine-General Command, and the Palestinian Islamic Jihad. OFAC's amendments prohibit all transactions directly or indirectly involving Bank Saderat. The changes exclude Bank Saderat from the general license allowing for "U-turn" payments and from transactions ordinarily incident to licensed or exempt transactions, including payments and financing for the exportation of licensed agricultural goods, medicine, and medical devices. While the amendments contain grace periods for completing certain transactions, U-turns must be stopped immediately. These ITR amendments, having been filed, are available on OFAC's website and are effective immediately, and will be published in their entirety in the Federal Register on Tuesday, September 12, 2006.

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