


## U.S. DEPARTMENT OF THE TREASURY


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### Treasury Designates Iranian State-Owned Bank for Facilitating Iran's Proliferation Activities

5/17/2011

**WASHINGTON** – The U.S. Department of the Treasury today announced the designation of Bank of Industry and Mine (BIM), an Iranian state-owned bank used by the Government of Iran to evade U.S. and international sanctions against Iranian financial institutions involved in facilitating transactions in support of Iran's proliferation activities.

Owned entirely by the Government of Iran, BIM was designated today pursuant to Executive Order (E.O.) 13382 for providing financial services to Bank Mellat and Europaisch Iranische Handelsbank (EIH), two Iranian banks previously designated by Treasury in connection with Iran's proliferation activities.

E.O. 13382 is aimed at freezing the assets of proliferators of weapons of mass destruction (WMD) and their supporters, thereby isolating them from the U.S. financial and commercial systems.

"Iran has a well-established practice of migrating illicit financial activities from one bank to another to facilitate transactions for sanctioned banks," said Acting Under Secretary for Terrorism and Financial Intelligence David S. Cohen. "The sophisticated nature of this scheme illustrates the disruptive impact of sanctions on Iran's efforts to sustain its proliferation activities."

Following the adoption of United Nations Security Council Resolution 1929, the European Union implemented sanctions targeting Iran's nuclear and missile proliferation activities, including prohibiting 18 Iranian banks from conducting transactions in Europe. In the weeks following the EU's action, BIM allowed EIH to transfer deposits it held for many of those designated banks to an account at BIM in Iran. BIM then used this account as a conduit for payments and transactions into Europe by some of these EU-sanctioned banks, including Bank Mellat and Bank Saderat.

Since July 2010, BIM has participated in this scheme devised by EIH to circumvent international banking sanctions by transferring funds from Bank Mellat's account at BIM to EIH's account at BIM. EIH then disbursed euro-denominated payments to Bank Mellat's customers in Europe.

In August 2010, Treasury issued the Iranian Financial Sanctions Regulations to implement the financial provisions of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010. Under these regulations, Treasury may prohibit, or impose strict conditions on, foreign financial institutions' access to the U.S. financial system for facilitating significant transactions or providing significant financial services for a financial institution designated by the U.S. – such as BIM – in connection with Iran's WMD proliferation or support for international terrorism. BIM is the twenty-first Iranian state-owned bank designated by Treasury.

"Treasury will remain relentless in our efforts to counter Iran's abuse of the international financial system," Cohen continued.

**Background on EIH and Bank Mellat:**

BIM is the majority owner of EIH, headquartered in Hamburg, Germany and designated by Treasury in September 2010 pursuant to E.O. 13382 for providing financial services to Bank Mellat, Persia International Bank, the Export Development Bank of Iran and Post Bank of Iran – all designated by Treasury pursuant to E.O. 13382. EIH is one of the few remaining banks in Europe actively facilitating business with Iranian banks, handling billions of dollars worth of transactions on their behalf. When facilitating financial services for Iranian WMD proliferators, EIH actively obscured the Iranian involvement in the process. In addition to owning a majority interest of EIH, BIM takes credit for the 2008 opening of EIH's branch in Tehran.

Treasury designated Bank Mellat in October 2007 as a supporter of the Atomic Energy Organization of Iran (AEOI) and Novin Energy Company, both designated pursuant to E.O. 13382 and by the United Nations and European Union. The AEOI, which reports directly to the Iranian president, is Iran's main organization for research and development of nuclear technology, and manages fissile material production programs. Novin Energy has transferred millions of dollars on behalf of AEOI to entities associated with Iran's nuclear program.

**Identifying Information:**

Entity:	Bank of Industry and Mine (Of Iran)
AKA:	Bank Sanad Va Madan
AKA:	BIM
Address:	PO Box 15875-4456, Firouzeh Tower, No 1655 Vali-Asr Ave after Chamran Crossroads, Tehran 1965643511, Iran
Alt. Address:	No 1655, Firouzeh Building, Mahmoudiye Street, Valiasr Ave, Tehran, Iran



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