

# U.S. DEPARTMENT OF THE TREASURY

## Resource Center

### Release of Iran Executive Order; Addition of names to the The List of Foreign Financial Institutions Subject to Part 561 (the “Part 561 List”)

7/31/2012

Today, the President signed an [Executive Order \(“E.O.”\) “Authorizing Additional Sanctions With Respect to Iran.”](#) This E.O. gives new sanctions authorities to both the Department of the Treasury and the Department of State. The E.O. authorizes the Secretary of the Treasury to impose financial sanctions on foreign financial institutions found to have knowingly conducted or facilitated certain significant financial transactions with the National Iranian Oil Company (“NIOC”) or Naftiran Intertrade Company (“NICO”) or for the purchase or acquisition of petroleum or petroleum products from Iran through any channel. In addition, the E.O. provides Treasury new authority to impose sanctions on foreign financial institutions found to have knowingly conducted or facilitated significant transactions for the purchase or acquisition of petrochemical products from Iran. Finally, it provides authority for Treasury to block the property and interests in property of any person determined to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of, NIOC, NICO, or the Central Bank of Iran, or the purchase or acquisition of U.S. bank notes or precious metals by the Government of Iran.

This E.O. provides authority to the Secretary of State that adds to the State Department’s existing authorities under the Iran Sanctions Act and E.O. 13590, “Authorizing the Imposition of Certain Sanctions With Respect to the Provision of Goods, Services, Technology, or Support for Iran’s Energy and Petrochemical Sectors.”

Please see [“Frequently Asked Questions related to the Executive Order”](#) for more information.

In addition, today, the Department of the Treasury announced the imposition of sanctions under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA), against two financial institutions for knowingly facilitating significant transactions or providing significant financial services for designated Iranian banks. The financial institutions sanctioned today by the Office of Foreign Assets Control (OFAC) are Bank of Kunlun in China and Elaf Islamic Bank in Iraq.

As financial institutions around the world have increasingly cut ties with Iranian banks designated for their connection to Iran’s WMD proliferation or support for terrorism, Bank of Kunlun and Elaf Islamic Bank have continued to provide financial services to such designated Iranian banks, facilitating the movement of millions of dollars worth of international transactions for Iran.

Today’s action against Bank of Kunlun and Elaf Islamic Bank effectively bars them from directly accessing the U.S. financial system. As a result of the sanctions imposed today under CISADA, financial institutions may not open correspondent or payable-through accounts for Bank of Kunlun or Elaf Islamic Bank in the United States and any financial institutions that currently hold such accounts must close them within 10 days. Full identifier information for these entities can be found below or on OFAC’s [List of Foreign Financial Institutions Subject to Part 561 \(the “Part 561 List”\)](#)

Please see [“Frequently asked questions related Treasury CISADA Findings Against Elaf Islamic Bank and Bank Kunlun”](#) for more information.

**OFFICE OF FOREIGN ASSETS CONTROL**

**Part 561 List Update:**

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**The following entities have been added to OFAC's [List of Foreign Financial Institutions Subject to Part 561 \(the "Part 561 List"\)](#) :**

BANK OF KUNLUN CO LTD (f.k.a. KARAMAY CITY COMMERCIAL BANK CO LTD.; f.k.a. KARAMAY URBAN CREDIT COOPERATIVES), 172 Xibin Rd, Ranghulu District, (Daqing, Heilongjiang Branch), Daqing 163453, China; 9 Dongzhimen North Street, Dongcheng District, (Head Office), Beijing 100007, China; No. 7 Century Ave, (Registered Office), Xinjiang, Karamay 834000, China; No. 68 Zhongya South Rd, Economic and Technological Development Zone, (Urumqi, Xinjiang Branch), Urumqi 830026, China; SWIFT/BIC CKLB CN BJ [561LIST].

ELAF ISLAMIC BANK, PO Box 3440, Building No. 14, Street 99, Hai Al Wehda-Mahala 902, Alweih, Baghdad, Iraq; SWIFT/BIC ELAF IQ BA; Note: The entity being designated, "Elaf Islamic Bank, Iraq" is separate and distinct from the similarly named entity, "Elaf Bank, Bahrain" [561LIST].