



Advisory on UNSCR 1929

HM Treasury warns businesses about UN Security Council measures against Iran

This notice constitutes advice issued by HM Treasury about financial measures against Iran, as set out in United Nations Security Council Resolution (UNSCR) 1929, adopted on 9 June 2010.

The measures in UNSCR 1929 should be considered in conjunction with those in previous UN resolutions regarding Iran (UNSCRs 1737, 1747 and 1803).

UNSCR 1929 calls upon all states to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran and their branches and subsidiaries abroad.

In particular, the resolution calls for enhanced vigilance over transactions involving the Central Bank of Iran and the Islamic Revolutionary Guard Corps (IRGC).

HM Treasury therefore advises UK financial institutions to ensure enhanced vigilance is applied in their activities with Iranian Banks, including the Central Bank of Iran, and with the IRGC. This is due to the heightened risk that transactions involving these entities might relate to proliferation-sensitive nuclear activities or to the development of nuclear weapons systems.

UNSCR 1929 also calls upon States to take appropriate measures that prohibit Iranian banks from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction if they have information that provides reasonable grounds to believe that these activities could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.

Financial institutions should take this into account when considering entering into new business relationships with Iranian banks or when reviewing existing relationships. Similar care should be exercised in considering or making any changes to ownership or control arrangements.

Information on the asset freezes imposed by UNSCR 1929 can be obtained at http://www.hm-treasury.gov.uk/d/fin_sanctions_iran100610.pdf.

UNSCR 1929 follows a further statement by the Financial Action Task Force on 18 February 2010 calling on all FATF members and other jurisdictions to apply countermeasures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/TF) risks emanating from Iran.

All UK businesses regulated under the Money Laundering Regulations 2007, whether financial institutions or other regulated persons should continue to treat transactions associated with

Iran as situations that by their nature can present a higher risk of money laundering or terrorist financing, and which therefore require increased scrutiny, enhanced due diligence, and ongoing monitoring, particularly in the case of correspondent relationships.

All other persons authorised by the Financial Services Authority should also take this advice into account in respect of their systems and controls to counter illicit finance, and take appropriate actions to minimise the associated risks.

These measures are separate from the Orders made in 2009 under the Counter Terrorism Act 2008.