

Statement on Sanctions Against Iran

July 31, 2012

Today the United States is announcing two significant steps that strengthen our efforts to pressure and isolate the Iranian Government for its continued failure to meet its international obligations.

First, I have approved a new Executive order that imposes new sanctions against the Iranian energy and petrochemical sectors. This action is designed to deter Iran from establishing payment mechanisms for the purchase of Iranian oil to circumvent existing sanctions and utilizes the existing structure of our sanctions law, including exceptions for significant reductions in the purchase of Iranian oil. Additionally, existing sanctions on Iran's petrochemical industry are expanded by making sanctionable the purchase or acquisition of Iranian petrochemical products. Sanctions are also authorized for those who may seek to avoid the impact of these sanctions, including against individuals and entities that provide material support to the National Iranian Oil Company, Naftiran Intertrade Company, or the Central Bank of Iran or for the purchase or acquisition of U.S. bank notes or precious metals by the Government of Iran.

Second, we have also taken a significant step to hold responsible institutions that knowingly enable financial transactions for designated Iranian banks. The Department of the Treasury today imposed sanctions on Bank of Kunlun in China and Elaf Islamic Bank in Iraq under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA). Bank of Kunlun and Elaf Islamic Bank have facilitated transactions worth millions of dollars on behalf of Iranian banks that are subject to sanctions for their links to Iran's illicit proliferation activities. By cutting off these financial institutions from the United States, today's action makes it clear that we will expose any financial institution, no matter where they are located, that allows the increasingly desperate Iranian regime to retain access to the international financial system.

Since taking office, we have presented the Iranian Government with a clear choice: Come in line with your international obligations and rejoin the community of nations or face growing consequences. With these actions, we are once again reaffirming our commitment to hold the Iranian Government accountable for its actions. The United States remains committed to a diplomatic solution, but the onus is on Iran to abide by its international obligations. If the Iranian Government continues its defiance, there should be no doubt that the United States and our partners will continue to impose increasing consequences.

NOTE: The statement referred to Executive Order 13622.

Categories: Statements by the President : Iran, U.S. sanctions.

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