Iran's Access to UAE Banks Targeted Under Operation Economic Outcast

August 28, 2026

Banque Misr UAE Processed Suspected Billions for Iranian Regime in Just 2.5 Years

WASHINGTON, D.C. —Today, under Operation Economic Outcast, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) proposed a rule that would revoke **Banque Misr UAE**'s correspondent banking access to U.S. financial institutions.

"Treasury promised to sever every economic lifeline Tehran has left and finally end the threat of the Iranian regime," said **Secretary of the Treasury Scott Bessent**. "We also warned that Iran's enablers cannot continue to enjoy access to the U.S. dollar and the global financial system. Banque Misr UAE decided to find out the hard way, and today, we are taking the first step in holding it accountable for its continued, egregious support of the Iranian regime."

Additionally, Treasury's Office of Foreign Assets Control (OFAC) sanctioned **Reza Mohammad Taeedi**, the manager of Bank Melli's Dubai branch. OFAC also sanctioned a Hong Kong-based front company that has helped launder funds for a sanctioned Iranian exchange house.

BANQUE MISR UAE IS A KEY FINANCIAL LIFELINE FOR THE REGIME

Treasury assesses that Banque Misr UAE is a critical node for the Iranian regime's access to U.S. dollars. Treasury estimates that between January 2024 and June 2026, Banque Misr UAE processed approximately $1.8 billion for 103 companies that are potentially part of Iranian shadow banking networks.

Because Iran is already subject to comprehensive U.S. sanctions, in order to generate revenue abroad, it relies on multi-jurisdictional shadow banking networks that provide key access to U.S. dollar correspondent banking relationships. Iran uses these shadow banking networks to launder funds, procure weapons, and bankroll its regional terrorist proxy groups.

Banque Misr UAE's customers include apparent front companies used by Iran's Ministry of Defense and the Islamic Revolutionary Guard Corps to evade U.S. sanctions, as well as to launder money on behalf of Iranian Supreme Leader Mojtaba Khamenei.

FinCEN's proposed action against Banque Misr UAE would cut off a key financial lifeline and sanctions evasion vehicle for the Iranian regime. Under Operation Economic Outcast, financial institutions around the world face heightened sanctions risk due to their exposure to Banque Misr UAE and other Iranian financial facilitators.

OFAC SANCTIONS ADDITIONAL FINANCIAL FACILITATORS

OFAC is taking additional action against Bank Melli and Iran's shadow banking network. Iranian national **Reza Mohammad Taeedi** serves as the general manager of Bank Melli's Dubai Branch. Bank Melli has facilitated billions of dollars' worth of transactions through accounts controlled by the Islamic Revolutionary Guard Corps Qods Force (IRGC-QF). It has allowed the IRGC-QF and its parent organization, the IRGC, to move funds inside and outside of Iran. The IRGC-QF's accounts at Bank Melli have also been used to fund Iranian-aligned proxies and partners, including in Iraq.

Hong Kong-based **Kameng Trading Limited** has aided sanctioned Iranian persons in accessing the international financial system. Sanctioned Iranian exchange house Pedram Pirouzan Exchange House, also known as Opal Exchange, has used Kameng Trading Limited to launder money for Iran. Pedram Pirouzan Exchange House was designated pursuant to E.O. 13902 for operating in the financial sector of the Iranian economy.

Reza Mohammad Taeedi is being designated pursuant to E.O. 13224, as amended, a counterterrorism authority, for having acted or purported to act for or on behalf of, directly or indirectly, Bank Melli. OFAC is designating Kameng Trading Limited pursuant to E.O. 13902 for operating in the financial sector of the Iranian economy.

OPERATION ECONOMIC OUTCAST IS ISOLATING THE IRANIAN REGIME

Announced by Secretary Bessent on August 24, 2026, Operation Economic Outcast is severing the remaining financial lifelines that sustain the Iranian regime. Treasury has mapped the networks, facilitators, and financial channels that Iran uses to smuggle oil, evade sanctions, and fund terror. Working with partners across the U.S. government, along with our allies, Treasury is targeting any source of the regime's illicit revenue.

Operation Economic Outcast significantly expanded sanctions risk for those who continue to choose to do business with Iran. Treasury warned that any entity facilitating money laundering or sanctions evasion on behalf of Iran will be cut off from the U.S. financial system. It also expands secondary sanctions exposure for those who continue doing business with the Iranian regime and will accelerate the pace of U.S. enforcement. More information on Operation Economic Outcast is available here.

IMPLICATIONS OF TODAY'S FINCEN ACTION AND NEXT STEPS

FinCEN today issued a notice of proposed rulemaking (NPRM) finding that Banque Misr in the United Arab Emirates is a financial institution operating outside the United States of primary money laundering concern. In the NPRM, FinCEN proposes, pursuant to section 311 of the USA PATRIOT Act, prohibiting U.S. financial institutions from opening or maintaining a correspondent account for, or on behalf of, Banque Misr UAE.

The rule would also require U.S. financial institutions to take reasonable steps not to process a transaction for a correspondent account in the United States of a foreign banking institution if such a transaction involves Banque Misr UAE and to apply to their foreign correspondent accounts special due diligence that is reasonably designed to guard against their use to process transactions involving Banque Misr UAE. This finding and the accompanying proposed special measure apply only to Banque Misr UAE, as defined in the NPRM, and not to Banque Misr operations in any other country.

The text of FinCEN’s Notice of Proposed Rulemaking can be found here. The public comment period will close 30 days after the NPRM is published on the Federal Register.

For questions about this NPRM, please contact FinCEN at http://www.fincen.gov/contact.

SANCTIONS IMPLICATIONS

As a result of today’s action, all property and interests in property of the designated or blocked persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC’s regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked persons.

Violations of U.S. sanctions may result in the imposition of civil or criminal penalties on U.S. and foreign persons. OFAC may impose civil penalties for sanctions violations on a strict liability basis. OFAC’s Economic Sanctions Enforcement Guidelines provide more information regarding OFAC’s enforcement of U.S. economic sanctions. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any designated or blocked person, or the receipt of any contribution or provision of funds, goods, or services from any such person. Non-U.S. persons are also prohibited from causing or conspiring to cause U.S. persons to wittingly or unwittingly violate U.S. sanctions, as well as engaging in conduct that evades U.S. sanctions. Individuals located in the U.S. or abroad who provide information about sanctions violations to FinCEN’s whistleblower incentive program may be eligible for awards if the information they provide leads to a successful enforcement action that results in monetary penalties exceeding $1,000,000. In addition, financial institutions and other persons may risk exposure to sanctions for engaging in certain transactions or activities with designated or otherwise blocked persons.

Furthermore, engaging in certain transactions involving the persons designated today may risk the imposition of secondary sanctions on participating foreign financial institutions. OFAC can prohibit or impose strict conditions on opening or maintaining, in the United States, a correspondent account or a payable-through account of a foreign financial institution that knowingly conducts or facilitates any significant transaction on behalf of a person who is designated pursuant to the relevant authority.

The power and integrity of OFAC sanctions derive not only from OFAC’s ability to designate and add persons to the Specially Designated Nationals and Blocked Persons List (SDN List), but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, or to submit a request, please refer to OFAC’s guidance on Filing a Petition for Removal from an OFAC List.

Click here for more information on the persons designated today.

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