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Client Memorandum

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Treasury Launches "Operation Economic Outcast," Expanding the Reach of U.S. Iran Sanctions

On August 24, 2026, at President Trump's direction, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") announced a package of Iran-related measures that targets an additional five sectors of the Iranian economy and designated nearly 60 entities, individuals and vessels.

Treasury has branded the campaign "Operation Economic Outcast."[1] The package is notable for four structural developments that expand the population of persons potentially exposed to U.S. blocking sanctions. *First*, OFAC issued five simultaneous sectoral determinations under Executive Order ("E.O.") 13902, expanding designation exposure to persons operating in Iran's aviation, digital asset, gold, shipping and technology sectors, wherever located. Foreign financial institutions continue to also face potential secondary sanctions for knowingly conducting significant transactions with a sector of the Iranian economy targeted under E.O. 13902. *Second*, OFAC suspended five longstanding general licenses that had authorized personal remittances, third-country educational activities, conference services, sports exchanges and academic exchanges with Iran subject to a wind-down window period ending at 12:01 A.M. eastern daylight time ("ET") on September 8, 2026. *Third*, OFAC issued updated guidance on the sanctions risks arising from Iranian demands of payments and other conditions in exchange for safe passage through the Strait of Hormuz, superseding its May 1, 2026, alert.[2] *Fourth*, Treasury announced that the Departments of the Treasury, State and War are presenting individual countries with defined timelines to terminate identified Iran-related activity, with unilateral Treasury action to follow if those timelines are not met.

Treasury has since taken further steps under the same campaign. On August 28, the Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") proposed a rule that would cut off the United Arab Emirates ("UAE") branches of Egypt's Banque Misr from U.S. correspondent accounts (the "FinCEN NPRM").[3] On September 4, OFAC designated Türkiye-based Golden Global Yatirim Bankasi Anonim Sirketi ("Golden Global Bank") and two of its subsidiaries under E.O. 13902 for providing the Iranian regime with correspondent banking access, including for the Islamic Revolutionary Guard Corps-Qods Force ("IRGC-QF").[4]

[1] Press Release, U.S. Dep't of the Treasury, *Treasury Launches Unprecedented Campaign Against Iranian Regime on Economic D-Day* (Aug. 24, 2026) (the "Press Release"), available here.

[2] Paul, Weiss, *OFAC Issues Coordinated Energy-Related General Licenses for Venezuela, Russia and Iran (Key Updates)* (June 8, 2026), available here (discussing FAQ 1249 on Strait of Hormuz "toll" payments).

[3] FinCEN, *Proposal of Special Measure Regarding Banque Misr UAE as a Financial Institution Operating Outside of the United States of Primary Money Laundering Concern*, RIN 1506-AB76, Docket No. FINCEN-2026-0232 (Aug. 28, 2026), available here; FinCEN, News Release, *FinCEN Proposes Rule that Would Revoke Banque Misr UAE's Correspondent Banking Access to U.S. Financial Institutions* (Aug. 28, 2026), available here.

[4] Press Release, U.S. Dep't of the Treasury, *Iran-related Designations; Issuance of Iran-related General License* (Sep. 4, 2026), available here; U.S. Dep't of the Treasury, Press Release, *Treasury Severs Iranian Regime's Financial Lifelines in Türkiye* (Sep. 4, 2026), available here.

Then, on September 8th, OFAC sanctioned 36 targets for supporting Iran's aviation sector.[5] Simultaneously, FinCEN issued an alert to assist financial institutions in identifying and reporting procurement networks supporting Iran's aviation industry.[6]

On the same day Treasury announced the "Operation Economic Outcast" campaign, OFAC and the U.S. Department of State ("State") also announced substantial sanctions relief to Syria—including State's rescission of Syria's State Sponsor of Terrorism designation and the delisting of Hay'at Tahrir al-Sham.[7]

Background

Operation Economic Outcast is the latest step in an Iran pressure campaign that has been building since the Administration published the National Security Presidential Memorandum 2 of February 2025, which directed a "maximum pressure" policy toward Iran. Over the course of 2025, OFAC designated more than 450 entities and vessels associated with Iran's international oil networks and shadow fleet and began a continuing series of designations of independent Chinese "teapot" refineries identified as significant purchasers of Iranian crude.[8]

As discussed in our previous client memorandum, the intensification of the regional conflict in 2026 produced a period of two-directional activity. OFAC issued Iran General License U in March 2026, a narrowly tailored authorization for the sale, delivery and offloading of Iranian-origin crude already loaded on vessels, which, notably, permitted importation into the United States for the first time in decades; it expired without renewal on April 19, 2026. OFAC subsequently issued FAQ 1249 addressing "toll" payments for Strait passage, a compliance advisory on teapot refinery risk, a May 1, 2026 Strait of Hormuz alert and, in July 2026, a further round of vessel blockings with wind-down authorization under Iran General License Z.[9]

The underlying statutory architecture for "Operation Economic Outcast" is also largely pre-existing. E.O. 13902, issued in January 2020, authorized the designation of persons determined to be operating in "any other sector of the Iranian economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State", the authority to designate persons for operating in sectors, as would be determined, and also carried secondary sanctions exposure for foreign financial institutions facilitating significant transactions in connection with those sectors. In January 2020, Treasury targeted the construction, mining, manufacturing and textile sectors of the Iranian economy. Over time, OFAC has designated additional Iranian sectors, such as the financial[10] and petroleum and petrochemical sectors. The August 24 action therefore built on this architecture and added a number of new sectors.

Five New Sectoral Sanctions Determinations Under E.O. 13902

The central element of the August 24 package is a determination, pursuant to section 1(a)(i) of E.O. 13902 and 31 C.F.R. § 560.802, that section 1(a)(i) shall apply to the **aviation, digital asset, gold, shipping and technology** sectors of the Iranian economy. The determination took effect on August 24, 2026.[11]

The August 24 determination increases the number of covered sectors from seven to 12 and, for the first time, extends E.O. 13902 to digital assets and to a broadly framed "technology" sector.

Two features warrant particular attention:

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[5] Press Release, U.S. Dep't of the Treasury, *Treasury Grounds Iranian Airlines with Sweeping Sanctions Action* (Sep. 8, 2026), available here.

[6] FinCEN, *FinCEN Alert to Counter Iranian Procurement Efforts for its Commercial Aviation Industry* (Sep. 8, 2026), FIN-2026-Alert006 (Sep. 28, 2026), available here.

[7] Press Release, U.S. Dep't of the Treasury, *Treasury and State Departments Deliver Additional Sanctions Relief on Syria* (Aug. 24, 2026), available here; U.S. Dep'ts of Commerce, State & the Treasury, *Tri-Seal Advisory: Sanctions and Export Controls Relief for Syria* (Aug. 24, 2026), available here.

[8] *Cf.* Paul, Weiss, *Economic Sanctions and Anti-Money Laundering Developments — 2025 Year in Review* (Jan. 21, 2026), available here (surveying the "maximum pressure" campaign established by the February 2025 National Security Presidential Memorandum, the designation of over 450 entities and vessels in Iran's oil networks and shadow fleet, and OFAC's actions against Iran's "shadow banking" and military procurement networks).

[9] Paul, Weiss, *OFAC Issues Coordinated Energy-Related General Licenses for Venezuela, Russia and Iran (Key Updates)* (June 8, 2026), available here (discussing Iran General License U and its expiration without renewal, FAQ 1249 on Strait of Hormuz "toll" payments, the teapot refinery compliance advisory and the accompanying shadow fleet designations).

[10] Paul, Weiss, *Economic Sanctions and Anti-Money Laundering Developments: 2020 Year in Review* (Feb. 22, 2021), available here (describing E.O. 13902 as issued, Treasury's October 2020 identification of the Iranian financial sector and the concurrent issuance of a general license).

[11] Off. of Foreign Assets Control, U.S. Dep't of the Treasury, *Determination Pursuant to Section 1(a)(i) of Executive Order 13902: Aviation, Digital Asset, Gold, Shipping, and Technology Sectors of the Iranian Economy* (Aug. 24, 2026), available here.

- **The determination is not limited to Iranian persons or to persons located in Iran:** Section 1(a)(i) reaches any person determined to "operate in" a covered sector, regardless of nationality or location. Treasury stated that OFAC "can now sanction any person, regardless of where they are located," that operates in the listed sectors.[12]

- **"Operate in" remains undefined:** OFAC has not issued guidance or FAQs defining what constitutes operating in the newly designated sectors, nor has it done so for any sector previously determined under E.O. 13902, and the term has historically been applied flexibly. Treasury has accordingly retained broad discretion over whom it may designate as operating in a covered sector. If we look to the types of persons OFAC has designated under other sectors, such as the petroleum and petrochemical sector, OFAC has designated companies in adjacent industries such as shipping agents, bunkering suppliers, insurance intermediaries, port service providers and payment facilitators.[13] It is notable, however, that OFAC has not confined E.O. 13902 sectoral designations to Iranian persons. Since the first "teapot" refinery designation in March 2025, OFAC has repeatedly designated China-based refineries and third-country shipping and trading companies for operating in Iran's petroleum sector.[14] What the five new determinations change is the range of sectors through which that route is available: outside a determined sector, OFAC has reached third-country procurement, financing and shipping facilitators principally under E.O. 13382, E.O. 13224 and section 3 of E.O. 13846.[15]

August 24th's New Designations

On the same day, OFAC designated nearly 60 entities, individuals and vessels under E.O. 13382 (WMD proliferation), E.O. 13694, as further amended (malicious cyber-enabled activity), E.O. 13902 and E.O. 13224, as amended (counterterrorism).[16] The designations span the United Arab Emirates, Hong Kong, mainland China, Singapore, Switzerland, France, the United Kingdom, India, Türkiye, Malaysia, Greece and the Marshall Islands, a jurisdictional footprint consistent with the third-country orientation of the current campaign.[17]

The designations fall into three broad groups, none of which departs materially from recent practice. Notably, none of the August 24 designations were made pursuant to the five newly determined sectors; the designations instead rely on E.O. 13382, E.O. 13694, E.O. 13224 and the previously identified financial and petroleum sectors under E.O. 13902, underscoring that the new sectoral determinations create future authority rather than support the current round of designations. The largest is a procurement network of more than 20 entities and individuals supporting the acquisition of proliferation-sensitive technology

[12] U.S. Dep't of the Treasury, Press Release, *Treasury Launches Unprecedented Campaign Against Iranian Regime on Economic D-Day* (Aug. 24, 2026) (the "Press Release"), available here.

[13] Paul, Weiss, *OFAC Issues Coordinated Energy-Related General Licenses for Venezuela, Russia and Iran (Key Updates)* (June 8, 2026), available here (discussing OFAC's designation of teapot refineries, ship managers, bunkering providers and front companies in the petroleum and petrochemical sectors).

[14] *See, e.g.*, Press Release, U.S. Dep't of the Treasury, *Treasury Sanctions Network Supporting Iran's Oil Exports* (Mar. 20, 2025), available here (designating Shandong Shouguang Luqing Petrochemical Co., Ltd, a Shandong-based "teapot" refinery, pursuant to E.O. 13902, in the first such action against a third-country refinery); Press Release, U.S. Dep't of the Treasury, *Treasury Increases Pressure on Chinese Importers of Iranian Oil* (Apr. 16, 2025), available here (designating Shandong Shengxing Chemical Co., Ltd. pursuant to E.O. 13902 for operating in the petroleum sector of the Iranian economy); Press Release, U.S. Dep't of the Treasury, *Economic Fury Targets Global Network Fueling Iran's Oil Trade and Shadow Fleet* (Apr. 24, 2026), available here (designating Hengli Petrochemical (Dalian) Refinery Co., Ltd. pursuant to E.O. 13902); Press Release, U.S. Dep't of the Treasury (2025), available here (designating Propitious Forever Trading Company Limited, Embrace Que Limited and Nissho Lines Incorporated pursuant to E.O. 13902 for operating in the petroleum sector, and identifying their vessels as blocked property).

[15] *See, e.g.*, U.S. Dep't of State, Fact Sheet, *Sanctioning Additional Entities That Have Traded in Iran's Petroleum* (Mar. 20, 2025), available here (designating Huaying Huizhou Daya Bay Petrochemical Terminal Storage Co., Ltd, a China-based storage terminal, pursuant to section 3(a)(ii) of E.O. 13846 for knowingly engaging in a significant transaction for the acquisition of Iranian crude, concurrently with OFAC's E.O. 13902 designation of Luqing Petrochemical); Notice of Department of State Sanctions Actions Pursuant to the Executive Order Reimposing Certain Sanctions With Respect to Iran, 90 Fed. Reg. 14175 (Mar. 28, 2025), available here (Huaying Petrochemical SDN entry, tagged [IRAN-EO13846] and marked subject to secondary sanctions); Press Release, U.S. Dep't of the Treasury, *Economic Fury Disrupts Networks Supplying Weapons and UAV Components to Iran* (May 8, 2026), available here (designating Hong Kong-based Mustad Limited pursuant to E.O. 13382 for providing support to the IRGC in connection with weapons procurement); Press Release, U.S. Dep't of the Treasury, *Economic Fury Targets Illicit Oil Revenue Fueling Iran's Military* (May28, 2026), available here (designating Hong Kong-based Worth Seen Energy Limited, Tida Co., Limited and Mehdiyev Trading Co., Limited pursuant to E.O. 13224 in connection with refined-product procurement for NIOC); U.S. Dep't of State, *Disrupting Iran's Transnational Ballistic Missile and UAV Procurement Networks in Support of UN Sanctions on Iran* (Nov. 12, 2025), available here (32 entities and individuals based in Iran, China, Hong Kong, the UAE, Türkiye, India and elsewhere, designated under E.O. 13382 and E.O. 13224).

[16] Off. of Foreign Assets Control, U.S. Dep't of the Treasury, *Removal of Syria's designation as a State Sponsor of Terrorism and Associated Sanctions List Updates; Iran-related Designations; Updates to Iran-related General Licenses* (Aug. 24, 2026), available here (setting out the full list of additions to, and changes in, the SDN List).

[17] *See, e.g.*, Paul, Weiss, *In Unprecedented Move, OFAC Takes Enforcement Action Against U.S. Parent Company for Turkish Subsidiary's Iran Sanctions Violations and Simultaneously Sanctions the Subsidiary's Ex-Managing Director* (Feb. 11, 2019), available here (discussing group-level exposure arising from a non-U.S. subsidiary's Iran-related conduct).

for Malek Ashtar University of Technology and other end users subordinate to Iran's Ministry of Defense and Armed Forces Logistics, centered on Hong Kong- and Shenzhen-based trading companies; several of the Hong Kong companies were designated under E.O. 13902 for operating in Iran's financial sector on the basis of payment facilitation for Iranian "shadow banking" networks.[18] A second group comprises six Iranian nationals associated with a cyber group directed by Iran's Ministry of Intelligence and that action follows the August 18, 2026 unsealing of a superseding indictment in the Southern District of New York charging 17 Iranian cyber actors, four of whom were designated on August 24.[19] A third comprises vessel brokers, bunkering providers, financial intermediaries and five shipping companies with their vessels, all linked to the transportation of Iranian crude.

One designation warrants separate mention. OFAC designated Singapore-based commodities trader Wellbred Capital Pte. Ltd. ("Wellbred") and its UAE and Swiss subsidiaries as owned or controlled by Iranian oil shipping magnate Mohammad Hossein Shamkhani, and further designated La Nivernaise de Raffinage SAS, a France-based cooking oil refinery acquired by Wellbred's Swiss subsidiary in 2024.[20] Treasury's stated theory is that the acquisition formed part of an effort to present the group as a legitimate enterprise. The designation of an operating French industrial asset on a downstream ownership theory illustrates the reach of OFAC's 50 percent rule into ordinary European corporate structures, and the resulting diligence considerations for European lenders, insurers, suppliers and joint venture partners.[21] It is also the only designation in the package accompanied by a wind-down general license, discussed below.

Suspension of Five General Licenses

OFAC issued a rule suspending indefinitely the effectiveness of five general licenses issued under the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (the "ITSR"):[22]

- 31 C.F.R. § 560.544 (certain educational activities by U.S. persons in third countries);
- 31 C.F.R. § 560.550 (certain noncommercial, personal remittances to or from Iran);
- 31 C.F.R. § 560.554 (importation and exportation of services related to conferences in the United States or third countries);
- Iran General License F (certain services supporting professional and amateur sports activities and exchanges); and
- Iran General License G (certain academic exchanges and the exportation or importation of certain educational services).

In conjunction with the suspension of these general licenses, OFAC issued General License BB to the ITSR authorizing transactions ordinarily incident and necessary to the wind-down of any transaction previously authorized under the suspended general licenses through 12:01 A.M. ET on September 8, 2026.[23]

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[18] Paul, Weiss, *2025 Year in Review: National Security* (Jan. 23, 2026), available here (discussing OFAC's May 2025 designations of Hong Kong- and China-based firms and intermediaries supplying dual-use materials to Iran's defense and UAV programs).

[19] Press Release, U.S. Att'y's Off., S.D.N.Y., *17 Iranians Charged With Conducting Massive Cyber Theft Campaign on Behalf of Islamic Republic of Iran* (Aug. 18, 2026), available here. The Department of State's Rewards for Justice program is separately offering a reward of up to $10 million for information leading to the identification or location of any person who, while acting at the direction or under the control of a foreign government, engages in certain malicious cyber activities against U.S. critical infrastructure in violation of the Computer Fraud and Abuse Act. *See* Rewards for Justice, U.S. Dep't of State, *Foreign Malicious Cyber Activity Against U.S. Critical Infrastructure*, available here.

[20] Press Release, U.S. Dep't of the Treasury, *Treasury Launches Unprecedented Campaign Against Iranian Regime on Economic D-Day* (Aug. 24, 2026) (the "Press Release"), available here.

[21] *See e.g.,* Paul, Weiss, *OFAC Issues Guidance on "Sham Transactions" and Sanctions Evasion* (Apr. 27, 2026), available here (discussing OFAC's March 31, 2026 sanctions advisory on the use of front businesses, straw owners, proxies and other opaque legal structures to conceal blocked persons' continuing interests in companies and other assets).

[22] Off. of Foreign Assets Control, U.S. Dep't of the Treasury, *Notice of Suspension of Certain Iranian Transactions and Sanctions Regulations General Licenses* (Aug. 24, 2026), available here.

[23] Off. of Foreign Assets Control, U.S. Dep't of the Treasury, *Iran General License BB: Authorizing the Wind Down of Certain Transactions Previously Authorized Under the Iranian Transactions and Sanctions Regulations* (Aug. 24, 2026), available here.

These licenses were originally issued with the intent of minimizing the unintended impact of Iran sanctions on ordinary Iranian citizens, and to assist OFAC manage the volume of specific license requests related to these areas. In any event, many U.S. financial institutions had already curtailed Iran-related activity years ago even if not legally prohibited.

General License AA: La Nivernaise de Raffinage

Concurrently with the designation of La Nivernaise de Raffinage SAS, OFAC issued General License AA ("GL AA"), authorizing transactions prohibited by E.O. 13902 that are ordinarily incident and necessary to the wind down of transactions, or the maintenance of operations, contracts or other agreements in effect as of August 24, 2026, involving La Nivernaise de Raffinage SAS and any entity in which it holds a 50 percent or greater interest, through 12:01 a.m. eastern daylight time on October 23, 2026.[24] By authorizing maintenance as well as wind down, GL AA affords counterparties, employees, suppliers and lenders greater flexibility than a pure wind-down license during that period. It does not authorize transactions involving any other person blocked under E.O. 13902 unless separately authorized.

Updated Strait of Hormuz Guidance

OFAC published an updated alert ("OFAC Updated Hormuz Alert") addressing sanctions risks arising from Iranian demands for payments and other conditions in exchange for safe passage through the Strait of Hormuz, superseding its May 1, 2026 alert.[25] The updated alert:

- Names the designated Persian Gulf Strait Authority, Persian Gulf Marine Insurance Company and Hormuz Safe Marine Services Authority, and warns that U.S. and non-U.S. persons risk sanctions or penalties by engaging with them, including by accepting insurance or other services, or responding to information demands for guarantees of safe passage, even where no payment or other exchange of value occurs;

- Expands the categories of prohibited consideration beyond cash to include digital assets, offsets, government-to-government arrangements, informal swaps and in-kind payments, including nominally charitable donations to entities such as the Iranian Red Crescent Society, Bonyad Mostazafan or Iranian embassy accounts; and

- Sets out enhanced due diligence expectations for maritime service providers, including that they affirmatively ask counterparties whom they coordinated with to transit the Strait, whether safe passage fees were or will be paid to Iran and whether any services, including insurance, were accepted from Iran.

- The alert also cautions that OFAC authorizations do not supersede restrictive measures implemented by U.S. Central Command or the Department of War.

The expectation that maritime service providers will affirmatively question counterparties about safe passage arrangements goes beyond OFAC's previously articulated diligence expectations and is relevant to shipowners, charterers, managers, P&I clubs, marine insurers, reinsurers and bunker suppliers.[26]

Third-Country Pressure and the Trajectory of Enforcement

Treasury announced that teams from the Departments of the Treasury, State and War are engaging counterparts worldwide, that "[e]very country will be given a defined timeline to shut down the Iran-related activity we have identified," and that "[i]f they fail to act, Treasury will act."[27] Secretary Bessent declined at his press conference to identify the countries or timelines concerned. Two observations follow. *First*, the sectoral determinations described above are the legal instrument through which any such unilateral action would most likely be effected, therefore, the determinations and the diplomatic campaign are best read together rather than as separate initiatives. *Second*, because the timelines are communicated government-to-government

[24] Off. of Foreign Assets Control, U.S. Dep't of the Treasury, *Iran General License AA: Authorizing Certain Activities Involving La Nivernaise De Raffinage SAS* (Aug. 24, 2026), available here.

[25] Off. of Foreign Assets Control, U.S. Dep't of the Treasury, *OFAC Alert: Sanctions Risks of Iranian Demands for Strait of Hormuz Passage* (Aug. 24, 2026), available here. *See also* Off. of Foreign Assets Control, U.S. Dep't of the Treasury, FAQs 1249, 1250, 831 and 1257.

[26] *See* Paul, Weiss, *OFAC Issues Coordinated Energy-Related General Licenses for Venezuela, Russia and Iran (Key Updates)* (June 8, 2026), available here (discussing FAQ 1249 and the sanctions exposure of U.S. and non-U.S. persons in connection with payments to the Government of Iran or the IRGC for Strait of Hormuz passage).

[27] Press Release, U.S. Dep't of the Treasury, *Treasury Launches Unprecedented Campaign Against Iranian Regime on Economic D-Day* (Aug. 24, 2026) (the "Press Release"), available here.

rather than published, companies operating in jurisdictions with material Iran-facing trade may have limited advance visibility into when local counterparties become designation candidates.[28]

On August 28, 2026, under Operation Economic Outcast, FinCEN issued a notice of proposed rulemaking finding the five UAE branches of Egypt's state-owned Banque Misr, the country's second-largest bank (together, "Banque Misr UAE"), to be a financial institution of primary money laundering concern operating outside the United States, and proposing to impose the fifth special measure under section 311 of the USA PATRIOT Act;[29] Banque Misr's operations outside the UAE are expressly excluded.[30] The proposed rule would prohibit covered financial institutions from opening or maintaining a correspondent account for Banque Misr UAE and require special due diligence on foreign correspondent accounts, including notice to correspondents known or reasonably believed to serve it. The finding rests on FinCEN's identification of 103 suspected Iranian shadow banking front companies transacting approximately $1.8 billion through Banque Misr UAE accounts between January 2024 and June 2026. Comments are due 30 days after publication in the *Federal Register*. The proposed rule is the correspondent-banking counterpart to the sectoral determinations: where those create authority to designate persons operating in Iran's financial sector, section 311 reaches the third-country bank through which that sector obtains dollars.[31]

On September 4, 2026, also under Operation Economic Outcast, OFAC designated Türkiye-based Golden Global Bank and its two Istanbul-based subsidiaries pursuant to E.O. 13902, applying the same logic through a different mechanism—direct designation of a foreign bank that operated in Iran's financial sector. OFAC's direct designation's basis is that Golden Global Bank was established to enable Iran's rahbar network to transfer oil revenues from China to Türkiye for conversion to cash and gold and knowingly offered correspondent banking services to Iranian financial institutions, including through accounts linked to Turkish businessman Sitki Ayan and his companies, sanctioned by OFAC in 2022.[32] Together, the Banque Misr and Golden Global Bank actions demonstrate that Treasury is deploying both proposed rulemaking and direct designation to sever Iran's access to third-country financial infrastructure, and that the enforcement campaign is expanding across jurisdictions in rapid succession.

Concurrent Syria Sanctions Relief

On August 28th, State removed Syria's designation as a State Sponsor of Terrorism ("SSOT"), with the consequence that Syria is no longer subject to the Terrorism List Governments Sanctions Regulations, 31 C.F.R. part 596, or 22 U.S.C. § 7205(a)(1), and revoked the designation of Hay'at Tahrir al-Sham ("HTS") as a Specially Designated Global Terrorist.

The Departments of Commerce, State and the Treasury also issued an updated tri-seal advisory.[33] This advisory further explains why this last stage of relief for Syria is more durable than previous general licenses and guidance.[34]

Conclusion

With the August 24 Iran-related actions, we see Treasury and State leveraging existing legal authorities to send a clear message to a larger set of industries and countries on the consequences of continuing to do business with Iran. The simultaneous withdrawal of longstanding humanitarian- and exchange-adjacent general licenses that had survived multiple administrations indicates that the campaign is not confined to commercial activity, and the August 28 FinCEN proposal and the September 4 designation of Golden Global Bank show that the gap between capability and action is beginning to close.

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[28] The campaign appears to extend to Russia. On August 25, 2026, CIA Director John Ratcliffe made an unannounced visit to Moscow, reportedly in part to press Russia to curtail its support to Iran. *See* John Sakellariadis, Esther Webber and Daniella Cheslow, *CIA chief used Moscow visit to warn Russia against attacks on NATO allies, helping Iran*, Politico (Aug. 26, 2026), available here.

[29] 31 U.S.C. § 5318A.

[30] FinCEN, *Proposal of Special Measure Regarding Banque Misr UAE as a Financial Institution Operating Outside of the United States of Primary Money Laundering Concern*, RIN 1506-AB76, Docket No. FINCEN-2026-0232 (Aug. 28, 2026), available here; FinCEN, News Release, *FinCEN Proposes Rule that Would Revoke Banque Misr UAE's Correspondent Banking Access to U.S. Financial Institutions* (Aug. 28, 2026), available here.

[31] Press Release, U.S. Dep't of the Treasury, *Iran's Access to UAE Banks Targeted Under Operation Economic Outcast* (Aug. 28, 2026) available here.

[32] Press Release, U.S. Dep't of the Treasury, *Iran-related Designations; Issuance of Iran-related General License* (Sep. 4, 2026), available here; U.S. Dep't of the Treasury, Press Release, *Treasury Severs Iranian Regime's Financial Lifelines in Türkiye* (Sep. 4, 2026), available here.

[33] Press Release, U.S. Dep't of the Treasury, *Treasury and State Departments Deliver Additional Sanctions Relief on Syria* (Aug. 24, 2026), available here; U.S. Dep'ts of Commerce, State & the Treasury, *Tri-Seal Advisory: Sanctions and Export Controls Relief for Syria* (Aug. 24, 2026), available here.

[34] Paul, Weiss, *U.S. Eases Most Syria Sanctions* (June 5, 2025), available here (discussing General License 25 and observing that, because the relief was delivered by general license rather than by formal revocation of the Syrian Sanctions Regulations, OFAC retained the ability to revoke or amend the authorization).

Developments to watch include whether OFAC issues FAQs narrowing the new sectoral determinations, whether the suspended general licenses are reinstated, and whether the section 311 authority and the E.O. 13902 financial sector determination are used to target additional banks doing business with Iran.

We will continue to monitor these developments and will issue further updates as appropriate.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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