

Designation of the Islamic Republic of Iran Shipping Lines, E-Sail Shipping Company Ltd, and Mahan Air

FACT SHEET

Bureau of International Security and Nonproliferation

December 11, 2019

Today, the Department of State is announcing the designation of the Islamic Republic of Iran Shipping Lines (IRISL), E-Sail Shipping Company Ltd, and Mahan Air, pursuant to Executive Order (E.O.) 13382 (*Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters*). The designation of Mahan Air is effective immediately. The designations for IRISL and E-Sail will become effective 180 days from today (i.e., June 8, 2020).

- The Islamic Republic of Iran Shipping Lines (IRISL) is the preferred shipping line for Iranian proliferators and procurement agents. It was delisted in January 2016 in connection with the Joint Comprehensive Plan of Action (JCPOA), but it has since engaged in activities or transactions that pose a risk of materially contributing to Iran's proliferation of WMD or their means of delivery. IRISL has transporting items intended for Iran's ballistic missile program for entities that include Iran's Aerospace Industries Organization (AIO) and the Shahid Hemmat Industries Group (SHIG). Additionally, IRISL transports proliferation-sensitive cargo intended for Iran's Defense Industries Organization (DIO), which is also subject to UN sanctions for supporting Iran's nuclear and missile programs. IRISL is also a long-time preferred carrier of other proliferation-sensitive items, including Nuclear Suppliers Group-controlled items. IRISL has provided logistical services to Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) and has facilitated shipments of military-related cargo destined for MODAFL. To conceal its involvement in such proliferation-sensitive activities, IRISL falsifies documents and uses deceptive schemes, such as by altering bills of lading by changing the consignee of a shipment after a shipment has left the original port. IRISL is currently subject to sanctions under E.O. 13599 and the Iran Freedom and Counter-Proliferation Act of 2012.
- E-Sail Shipping Company Ltd (E-Sail) is based in Shanghai, China. E-Sail is a shipping agent for Iranian proliferators and procurement agents, and has engaged in activities or transactions that pose a risk of materially contributing to Iran's proliferation of WMD or their means of delivery by facilitating the transportation of materials for Iran's AIO, which oversees all of Iran's missile industries; SHIG, which is subject to UN sanctions for its involvement in Iran's ballistic missile program; and for Iran's DIO, which is subject to UN sanctions for supporting Iran's nuclear and missile programs. E-Sail has facilitated the transportation of items related to Iran's ballistic missile programs multiple times since UN Security Council Resolution (UNSCR) 2231 took effect in January 2016. E-Sail Shipping Ltd is currently subject to sanctions under E.O. 13599 and the Iran Freedom and Counter-Proliferation Act of 2012.

- Mahan Air was designated in October 2011 under E.O. 13224 for providing financial, material, and technological support to the IRGC. It has since repeatedly engaged, or attempted to engage, in activities or transactions that pose a risk of materially contributing to the proliferation of WMD or their means of delivery by shipping UN-restricted missile and nuclear items to Iran. Specifically, Mahan Air has transported Missile Technology Control Regime (MTCR)-controlled graphite and T-700 carbon fiber that is subject to Nuclear Suppliers Group controls and suitable for missile application to Iran, in violation of UNSCR 2231.
- These designations underscore that Iran continues to violate UNSCR 2231. The United States will continue our efforts to exert maximum pressure on the Iranian regime to address the threat it poses to international peace and security. These designations make clear to the international community that IRISL and E-Sail are not merely elements of the Government of Iran, they also pose a risk of materially contributing to Iran's proliferation of WMD or their means of delivery. We are taking action to deny the Iranian regime's efforts to use these entities for these malign ends. Nations should re-evaluate their relationship to these entities and any relevant designations to comply with best non-proliferation practices.
- E.O. 13382 authorizes blocking sanctions on the property of any person who provides, or attempts to provide, financial, material, technological or other support for, or goods or services in support of, any person designated pursuant to E.O. 13382. Any person who continues working with these entities after the effective date of these designations will not only risk exposure to sanctions themselves but could also be publicly named as supporting persons that pose a risk of materially contributing to the proliferation of WMD or their means of delivery.
- To allow exporters of humanitarian goods to Iran sufficient time to find alternate carriers or shipping methods, the designations for IRISL and E-Sail will become effective 180 days from today. There are numerous alternative shipping lines not sanctioned for weapons proliferation, which are available to support humanitarian shipments to Iran. Exporters of humanitarian goods should take advantage of the next 180 days to shift their exports to shipping lines that are not accomplices to Iran's efforts to advance its WMD and ballistic missile programs. The Department of State stands ready to engage with both exporters of humanitarian goods and shipping companies to facilitate this process.