

# U.S. Treasury Department Announces Settlement with Standard Chartered Bank

April 9, 2019

## *Treasury Settlement Part of Combined \$1.1 Billion Settlement for Bank's Apparent Violations of Multiple Sanctions Programs*

**WASHINGTON** – As part of a combined \$1.1 billion settlement with federal, state, local, and United Kingdom government partners, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today announced a \$639 million agreement with Standard Chartered Bank (SCB) to settle its potential civil liability for apparent violations of U.S. economic sanctions. Today's settlement resolves OFAC's investigation into apparent violations of a number of U.S. sanctions programs, including those relating to Burma, Cuba, Iran, Sudan, and Syria. OFAC is also settling a separate case involving apparent violations by SCB of sanctions related to Zimbabwe.

From June 2009 until May 2014, SCB processed 9,335 transactions totaling \$437,553,380 that were processed to or through the United States. All of these transactions involved persons or countries subject to comprehensive sanctions programs administered by OFAC (including Burma, Cuba, Iran, Sudan, and Syria). The majority of the conduct concerns Iran-related accounts maintained by SCB's Dubai, UAE branches ("SCB Dubai"), including accounts at SCB Dubai, held for a number of general trading companies and a petrochemical company. SCB Dubai processed USD transactions to or through SCB's branch office in New York or other U.S. financial institutions on behalf of customers that sent payment instructions to SCB Dubai while physically located or ordinarily resident in Iran. SCB also processed online banking instructions for residents of comprehensively sanctioned countries.

These actions constitute apparent violations of the now-repealed Burmese Sanctions Regulations; the Cuban Assets Control Regulations, 31 C.F.R. Part 515; the Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560; the now-repealed Sudanese Sanctions Regulations; and the Syrian Sanctions Regulations, 31 C.F.R. Part 542, or Executive Order 13582 of August 17, 2011, "Blocking Property of the Government of Syria and Prohibiting Certain Transactions With Respect to Syria."

Under the [settlement agreement](#), SCB has agreed to sustain its commitment to implementing robust compliance procedures by ensuring that it has a management team in place that: (1) is committed to a culture of compliance; (2) conducts regular risk assessments; (3) ensures that its internal controls appropriately mitigate the entity's sanctions-related risks; (4) conducts regularized audits; and (5) provides ongoing sanctions compliance training throughout SCB.

OFAC worked closely and collaboratively with its counterparts at other government agencies in the investigation of this matter. Today's settlement is simultaneous with SCB's settlements with the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the U.S. Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section, the U.S. Attorney's Office for the District of Columbia, the New York County District Attorney's Office, the New York State Department of Financial Services, and the United Kingdom's Financial Conduct Authority.

SCB's \$639 million settlement with OFAC will be deemed satisfied by the bank's payment of a forfeiture and fine to the Department of Justice and fine to the Federal Reserve Board of Governors for the same pattern of conduct.

Separately, between May 2009 and July 2013, SCB Zimbabwe processed transactions to or through the United States involving Zimbabwe-related Specially Designated Nationals (SDNs) or entities owned 50 percent or more, individually or in the aggregate, by one or more Zimbabwe-related SDNs. These transactions constituted apparent violations of the Zimbabwe Sanctions Regulations, 31 C.F.R. Part 541. SCB will remit \$18,016,283 to OFAC to settle civil liability relating to the apparent violations of the ZSR.

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