

result is that all countries must take countermeasures against them.

Of course, countries always have the opportunity to change their group by striving to implement more recommendations and, for example, move from the blacklist to the grey list or the group of fully compliant countries. At the recent FATF meeting held from June 23 to 28, 2024, in Singapore, Turkey and Jamaica were removed from the grey list because evaluations showed that these two countries had successfully addressed strategic deficiencies. Conversely, two countries, Venezuela and Monaco, were added to the grey list, and Iran remained on the blacklist, and unfortunately, the suspended deterrent measures against Iran were reinstated. In the final statement of this meeting, the suspension of deterrent measures against Iran was lifted, and it was emphasized that, considering that Iran has not implemented the Palermo Convention and the CFT, FATF calls on member countries to apply all these deterrent measures against Iran. Of course, if Iran joins the Palermo Convention and the CFT, there will be a review of subsequent measures. Depending on the progress in cooperation, deterrent measures may be suspended or moved from the blacklist to the grey list, etc.

Systematic intensification of economic sanctions

Some may think that FATF recommendations lack enforcement. Although these recommendations are formally considered soft law and have a recommendatory nature and apparently lack enforcement, in practice, given their widespread acceptance among countries and international organizations, they have high credibility and status. Legally, UN Security Council resolutions under Chapter VII of the Charter have strongly emphasized the implementation of FATF recommendations. Many countries have officially used them as the primary source and reference for drafting laws and regulations to combat money laundering. Some countries have integrated these standards entirely and uniformly into their legal systems through their legislative authorities.

Therefore, even if we are not a member of the intergovernmental organization, according to international law, some provisions of the CFT Convention and Security Council resolutions and, consequently, FATF recommendations and standards, are practically enforced against us. These recommendations are more of a criterion for assessing the health of countries' financial and banking systems, and a country that does not comply with the recommendations will gradually face formal or informal sanctions from other countries.

Thus, in the current legal system, non-compliance with the aforementioned recommendations can lead to severe international, multilateral, or unilateral sanctions and ultimately result in the isolation and even commercial and economic bankruptcy of countries. It is bitter, but as long as we are on the blacklist, we will face increasingly severe and serious consequences in the country's financial, commercial, and banking relations.

Some opponents think that if we join FATF, we will be forced to provide information and data that we do not wish to disclose

to FATF. These individuals are unaware that as long as we are on the blacklist, we are monitored more intensely.

According to FATF regulations and standards, countries on the blacklist are subject to comprehensive and much stricter global controls. Even friendly and allied countries must monitor these countries and limit or, in some cases, cut off cooperation with them and report all financial and economic activities of their affiliated companies and institutions in detail, and the like. Whereas these strict measures are not applied to countries that have little cooperation but are not on the blacklist.

As long as a country is on the blacklist, one of the things that is heavily controlled is the issue of cash transfers or so-called suitcase transfers.

Some think that if we join FATF, we will come under control, whereas these controls are reasonable and standard, applied to all countries. However, when on the blacklist:

According to FATF Recommendation 19, all countries, whether friend or foe, are obligated to more rigorously and meticulously monitor cash transfers and assets of Iranian individuals or entities within their own countries, and even the movement of cash through luggage will face difficulties.

In the interpretive note on the implementation of FATF Recommendation 19, member countries are asked to apply the "Know Your Customer" (KYC) rule more strictly to a country on the blacklist, and all banks, financial and non-financial institutions, individuals, and entities will be monitored with a much more serious lens.

According to FATF Recommendation 19, a fully regular and continuous reporting system is applied to all financial transactions destined for Iran in all countries.

The establishment of financial institutions the opening of branches or representative offices for Iranian individuals or entities in all countries will face restrictions, and in addition, other countries are prohibited from establishing institutions, branches, or representative offices in Iran. FATF Recommendation 19 also prohibits financial institutions, banks, and foreign companies from cooperating with Iranians and emphasizes that they review their relationships and take action to amend or terminate business relationships with Iranian financial institutions.

In some countries, banks have informed Iranian residents in those countries to close their accounts. The list of such cases is very long.

Without the approval of Palermo and CFT and without Iran's accession to the group of cooperating countries, we will remain on the blacklist, and Iran will even lose the methods of circumventing sanctions.

Long ago, the Chinese and Russians announced that if we do not approve Palermo and CFT, they will not be able to continue financial and banking cooperation with us. Also, Europeans will certainly not cooperate with us, and all countries, big and small, will consider themselves obligated to apply these rules more strictly to the Iranian government, Iranian institutions, companies, and even individuals.

Apart from the political perspective, in general, if we remain on the blacklist, we will have a darker and gloomier outlook,



Iranian President Masoud Pezeshkian (L) talks with officials of the Economy Ministry during an unannounced visit on February 19, 2025. "The implementation of the [FATF] mechanism helps us monitor the flow of liquidity and prevent the withdrawal of resources or the occurrence of financial crimes," said Pezeshkian.

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and countries that wished to invest in Iran will withdraw their investments, and we will pay very high costs for financial and banking transactions. That is, on the one hand, the possibility of selling oil and transferring currency will become more difficult, and the country's income will decrease; On the other hand, since currency transfer and the sale of goods become more difficult, the cost of currency transfer resulting from the sale of these products will increase even more. Also, Iranian institutions and companies in other countries will face problems.

Rewards for exiting blacklist

What we said so far should have clarified that non-cooperation with FATF means keeping the name of our beloved Iran on the blacklist, which would lead to the intensification of sanctions and the exacerbation of political, economic, and developmental crises in the country, severely affecting the welfare and livelihood of the noble Iranian people. To facilitate the adoption of an appropriate decision by thoughtful and wise decision-makers and policymakers on joining the Financial Action Task Force, paying attention to the following points will not be without merit:

One of the concerns of some individuals regarding the acceptance of FATF recommendations is related to the future of supporting liberation movements that are considered terrorist groups by Western countries. We know that in the FATF glossary, terrorism is defined. Now, the question is, from the perspective of this group, which institution is allowed to judge whether this concept applies to various instances, and what mechanism is considered for this application?

The concept of terrorism and terrorist depends on the conditions, circumstances, and context of the act and the type of act committed. For example, in the conventions mentioned under FATF Recommendation 36, a single meaning of the concept of terrorism is not obtained because each of the proposed conventions governs in a different context. Perhaps for these reasons, FATF has published a series of concepts and definitions in a glossary attached to the recommendations to avoid misunderstandings and misinterpretations and thus correctly convey and implement its demands and recommendations.

One of these terms is "terrorist." According to FATF's definition, "The term terrorist refers to any natural person who: (i) commits, or attempts to commit, terrorist acts by any means, directly or in-

directly, unlawfully and willfully; (ii) participates as an accomplice in terrorist acts; (iii) organizes or directs others to commit terrorist acts; or (iv) contributes to the commission of terrorist acts by a group of persons acting with a common purpose where the contribution is made intentionally and with the aim of furthering the terrorist act or with the knowledge of the intention of the group to commit a terrorist act."

Perhaps in the worst case, it can be said that the determination of a terrorist instance should be made by the United Nations and its resolutions, and we should not allow such an important matter to be subject to different interpretations by various countries.

Does accepting FATF standards, apart from its impact on Iran's international financial transactions, have other consequences for the country?

Firstly, joining FATF, in addition to depriving hostile countries of excuses, will lead to Iran being considered a normal country globally, freed from accusations of supporting money laundering and terrorist financing and the like, removed from the blacklist, and consequently removed from the group of high-risk countries. As a result, foreign investment in Iran will be facilitated, and restrictions on Iran's international financial transactions will be lifted.

Secondly, it will increase cooperation with international banks, lead to transparency and stability of the financial system, enhance banking standards, and better align us with the global system.

Thirdly, it has many other advantages, including access to World Bank facilities, easier membership in international treaties and bilateral or multilateral agreements.

Fourthly, it will reduce crimes such as smuggling, money laundering, and financing of terrorist organizations and international terrorism, and reduce financial corruption and bribery.

Fifthly, without joining the Paler-

mo and CFT conventions, which are prerequisites for cooperation with FATF, the normalization of financial and



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international interactions and alignment with the international community will not be possible, and we will, whether we want it or not, stand against the international community and outside the arena of international cooperation.

It is wise that instead of being passively controlled outside the arena, we enter the playing field as a powerful actor and be active and hardworking members in regional and global assemblies of FATF.

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It is worth mentioning that Iran is not the only country that has been placed on the blacklist. Previously, Russia was also on the blacklist, i.e., when it had to cooperate and did not, and later had to cooperate and was then accepted as a member of the FATF assembly. Or the occupying regime was previously on the blacklist, and naturally, the reason was non-cooperation; but now, after implementing the necessary actions and cooperation with FATF, it is free to act within the assembly. Last summer, Turkey and Jamaica also celebrated exiting the grey list. Why should Iran leave this fertile ground to others and be absent from it?

Moreover, organizing the country's troubled economic situation, exiting the deadly and costly economic isolation, preventing further waste of national wealth and interests, and improving the livelihood and welfare of the people is impossible without fundamentally resolving the issue of economic sanctions, and the fundamental and basic resolution of economic sanctions depends on reasonable and realistic interaction with the world and exiting the FATF blacklist and grey list.

Therefore, it is expected from thoughtful policymakers, especially the esteemed president and the new government, to consider cooperation with the Financial Action Task Force and exiting the blacklist and grey list as obvious priorities of the country's economy. Now is late, tomorrow is much later!