

# MFSA

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## MALTA FINANCIAL SERVICES AUTHORITY

### **Notice to Financial Services Licence Holders**

#### **National Defence Authorization Act for Fiscal Year 2012 (USA)**

The MFSA brings to the attention of all financial services licence holders, in particular credit and financial institutions, the enactment by the United States of America of the National Defence Authorization Act for Fiscal Year 2012 on 31 December 2011 .

Section 1245 of this Act introduces measures directed at foreign financial institutions which knowingly facilitate significant transactions with the Central Bank of Iran and other Iranian financial institutions designated by the US Treasury. Foreign financial institutions in breach of such measures will not be allowed access to the US financial system.

This measure is in addition to the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 (CISADA) as described in MFSA notice with Ref: 51-2011 of 11 November 2011.

It should be noted that unlike the United Nations and European Union sanctions, the provisions of Section 1245, and other US sanctions against Iran are not directly binding on Maltese institutions. Nevertheless, licence holders are strongly encouraged to take these provisions into consideration during the conduct of their business activities in view of the wide ranging applicability of these measures and the risk of significant financial actions which may have serious implications on their business activities.

It is understood that this latest measure limits or terminates access to the US correspondent accounts of those institutions which are determined by the US President to knowingly conduct or facilitate a significant transaction , related to petroleum or other trade , with the Central Bank of Iran or other US designated financial institution. Transactions involving the sale of food, medicine or medical devices to Iran are exempt from these measures.

For ease of reference, the full text of the Act can be obtained from:

<http://www.gpo.gov/fdsys/pkg/BILLS-112hr1540enr/pdf/BILLS-112hr1540enr.pdf>

This notice is being published for information purposes only. It does not contain or purport to contain a complete description, analysis or any form of advice on the provisions of Section 1245 of the US National Defence Authorization Act for Fiscal Year 2012. Accordingly licence holders are invited to review in detail and to fully understand the relevant provisions and obtain proper advice on the implications and impact this law may have on their business activities.

**Communications Unit**  
**Malta Financial Services Authority**  
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