

Accepting FATF is Absolutely Forbidden

OE Watch Commentary: The Financial Action Task Force (FATF) was founded by the G-7 in 1989 as an intergovernmental organization to combat money laundering. In 2001 its mission was expanded to include combating financing for terrorism. The basis of the FATF is peer review, which usually requires banking transparency. In 2008 FATF put the Islamic Republic of Iran on its blacklist as being of money laundering and terrorism financing concern. While this does not involve formal sanctions, it does disincentive foreign investment in Iran. It is against this backdrop that the Islamic Republic has begun negotiations to get off the FATF blacklist. But to rectify its concerns, the FATF is demanding Tehran be more transparent about its banking and financial sectors. The accompanying excerpted article from the *Fars News Agency* covers an important speech about the FATF by Grand Ayatollah Nasser Makarem-Shirazi, who is among the Islamic Republic's most hardline and anti-Western religious clerics. He has blessed child marriage, called the Holocaust a "superstition," and declared women's entrance into stadium events to be religiously forbidden. While no longer a member of the Assembly of Experts, a clerical body which can appoint a new supreme leader after the death or removal of the previous one, he remains an important voice in Iranian politics.

He opposes any cooperation with the FATF, arguing the cost of transparency would not be worth the reputational relief. He implies that Western powers might use the FATF as a "colonial" tool and utilize the information provided to act against Hezbollah and other groups which many Western governments designate as terrorists, but which Makarem-Shirazi sees as valuable and noble allies. Within the Iranian political and social context, the colonial charge has weight and can poison political discussion by stigmatizing debate opponents as pawns of conspiracy.

Supreme Leader Ayatollah Ali Khamenei, himself a hardliner, has sought to navigate the pragmatic need to shed Iran's money laundering and terrorism financing reputation with the concerns voiced by Makarem-Shirazi, and has proposed that the Iranian parliament incorporate "positive points" derived from FATF and other international conventions, without formally signing or ratifying complete treaties. This strategy, of course, seen also with Iran's promise to abide by the Additional Protocol of the Nuclear Non-Proliferation Treaty without actually ratifying it, will not likely assuage the FATF and those governments concerned by more nefarious goals which motivate Iran's financial opacity. Certainly, Makarem-Shirazi's opposition and Khamenei's compromise both suggest that Iranian authorities remain committed to financing Hezbollah and other US-designated terrorist groups in the face of growing financial pressure. **End OE Watch Commentary (Rubin)**

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Naser Makarem Shirazi.

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Source: “Pezeresh Sanad-e FATF Siyahe Motaleq Ast (Accepting the Document of the FATF is Absolutely Forbidden),” *Fars News Agency*, 3 July 2018. <https://goo.gl/onxPwT>

According to Fars News Agency from Qom, this afternoon in a meeting with families of martyrs, Ayatollah Nasser Makarem-Shirazi told the families of the martyrs, the defenders of the shrines, elite knowledgeable ladies, and the cultural elite of Qom with reference to the Financial Action Task Force (FATF) that some issues should be clarified with regard to joining the counter-terror commission: “Some issues regarding joining the FATF need to be identified such as the definition of terrorism and the nature of groups, and who determines this. With reference to whether the West wants to consider the Islamic Revolutionary Guard Corps, Hezbollah, and similar groups as terrorists under the basis of this convention. According to Western criteria, any group that wants to defend its country and its people is a terrorist, and based on this criteria, the evil of Islamic State terrorists in Iraq and Syria has been reduced while they are also placed in the collection of terrorist groups... Another point is what scope of bank accounts should be available to the western side to determine terrorism? And another point is what accounts should be addressed? And will all accounts [be revealed] or only suspicious accounts?” He added, “The Western side is looking for this in the FATF, and all information about bank account holders.”

Ayatollah Makarem-Shirazi, stating that the issues in the convention are one-sided, noted, “The provisions of the convention are quite colonial and leads to domination, and nothing new will happen if we do not join the convention and sanctions remain in place. By accepting the convention, however, we are completely at the hands of the West. Therefore, joining the FATF is both logically and religiously forbidden.