

## **ENFORCEMENT INFORMATION FOR JUNE 18, 2015**

**Information concerning the civil penalties process is discussed in OFAC regulations governing the various sanctions programs and in 31 C.F.R. part 501. On November 9, 2009, OFAC published as Appendix A to part 501 Economic Sanctions Enforcement Guidelines. See 74 Fed. Reg. 57,593 (Nov. 9, 2009). The Economic Sanctions Enforcement Guidelines, as well as recent final civil penalties and enforcement information, can be found on OFAC's Web site at <http://www.treasury.gov/ofac/enforcement>.**

### **ENTITIES – 31 C.F.R. 501.805(d)(1)(i)**

**National Bank of Pakistan, New York Settles Potential Liability for Apparent Violations of the Global Terrorism Sanctions Regulations:** The National Bank of Pakistan's New York Branch ("NBP New York") has agreed to remit \$28,800 to settle potential civil liability for seven apparent violations of § 594.201 of the Global Terrorism Sanctions Regulations, 31 C.F.R. part 594 (the GTSR).

On May 31, 2013, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated Kyrgyz Trans Avia, an airline headquartered in Bishkek, Kyrgyzstan, pursuant to Executive Order 13224 of September 23, 2001, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism." Between June 6, 2013 and January 31, 2014, NBP New York processed seven funds transfers totaling \$55,952.14 that were originated by, or destined for, the account of "LC Aircompany Kyrgyztransavia" at the National Bank of Pakistan's branch in Bishkek, Kyrgyzstan ("NBP Bishkek"). NBP New York's OFAC interdiction filter failed to generate an alert or identify any potential matches to OFAC's List of Specially Designated Nationals and Blocked Persons (the "SDN List") when it screened the funds transfers for review, and the bank processed all seven of the transactions forward.

OFAC has determined that NBP New York did not voluntarily self-disclose the apparent violations and that the apparent violations constitute a non-egregious case. The total base penalty amount for the apparent violations was \$64,000.

The settlement amount reflects OFAC's consideration of the following facts and circumstances, pursuant to the General Factors under OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, app. A. The following were considered aggravating factors: NBP New York processed seven transactions involving an SDN, five of which conferred economic benefit to a sanctioned party and resulted in harm to the sanctions program objectives of the GTSR; NBP New York is a sophisticated financial institution; and NBP New York's OFAC interdiction filter failed to generate an alert to an SDN in seven separate transactions. The following were considered mitigating factors: no NBP New York managers or supervisors were aware of the conduct that led to the apparent violations; NBP New York has not received a penalty notice or Finding of Violation from OFAC in the five years preceding the earliest date of the apparent violations; NBP New York took appropriate remedial action in response to the apparent violations and took steps to enhance its OFAC interdiction filter; and NBP New York cooperated with OFAC's investigation.

This enforcement action highlights the particular sanctions risk faced by the U.S. locations of foreign financial institutions that maintain accounts for persons subject to OFAC sanctions.

For more information regarding OFAC regulations, please visit: <http://www.treasury.gov/ofac>.