

Further guidance on the cessation of business with Bank Mellat and Islamic Republic of Iran Shipping Lines

*This note seeks to complement paragraphs 15 and 16 of the Treasury's interpretive note ([here](#)) regarding the above direction, issued on 12th October 2009. This note does **not** seek to be exhaustive in scope, but instead to provide interpretation of these paragraphs in common situations.*

As stated in the interpretive note at paragraph 15, the requirements of the direction apply to **direct** transactions and business relationships (as defined in paragraph 45 of Schedule 7 to the Counter Terrorism Act) between relevant persons and designated persons.

Payments from a designated person

The following transactions constitute direct transactions, and will be subject to the direction, regardless of whether the designated person is making the payment on its own behalf, or on behalf of a customer:

- direct payments from a designated person to a relevant person;
- payments from a designated person to a relevant person routed through one or more financial institutions which are related to an underlying business relationship between the designated person and the relevant person.

Firms may wish to obtain legal advice regarding whether their arrangements constitute a 'business relationship'.

Payments to a designated person

The following transactions are subject to the requirements of the direction:

- payments from a relevant person to a designated person. These are subject to the direction irrespective of whether funds go directly to the designated person or through one or more third parties; and
- payments transmitted by (but not originated by) relevant persons which are destined for a designated person.

Instructor

With reference to paragraph 16, the term 'instructor' refers to designated persons instructing a UK financial or credit institution to undertake a transaction on its behalf. This activity **is** subject to the requirements of the direction.