

U.S. Government Adds to Sanctions Against the IRGC with Unprecedented FTO Designation

April 8, 2019 | Client Update | 2-minute read

On April 8, 2019, the U.S. State Department [announced its intent to designate](#) Iran's Islamic Revolutionary Guard Corps ("IRGC") as a Foreign Terrorist Organization ("FTO") under section 219 of the Immigration and Nationality Act, 8 U.S.C. § 1189. The designation will take effect upon publication in the Federal Register. The action marks the first time that the FTO designation authority has been used to target a foreign government agency, although the [IRGC](#), [IRGC-Quds Force](#), and Iran's [Ministry of Intelligence and Security](#) have all previously been designated as Specially Designated Global Terrorists ("SDGTs") under a separate counterterrorism authority, Executive Order 13224. While the FTO designation was characterized in a [statement](#) by Secretary of State Pompeo as an action that will have a "significant impact" and "increase the financial pressure and isolation of Iran, and starve the government of resources it could devote to its terrorist pursuits," its practical significance is likely limited. After the designation takes effect, knowing provision of material support or resources to the IRGC may be prosecuted under both the material support statute, 18 U.S.C. § 2339B (as a consequence of the FTO designation), and as a criminal sanctions violation under the International Emergency Economic Powers Act (as a consequence of previous sanctions against the IRGC). Other consequences of the FTO designation, including blocking of funds and visa restrictions, duplicate existing sanctions against the IRGC.

While largely symbolic, this action reinforces the U.S. government's commitment to its "maximum pressure" campaign against Iran following withdrawal from the Joint Comprehensive Plan of Action last year, as detailed in prior [blog posts](#) and our [client memorandum](#) on reimposition of sanctions. As noted in Secretary Pompeo's statement, the IRGC is "integrally woven into the Iranian economy, operating front companies and institutions around the world that engage in both licit and illicit business activity," and the FTO designation further increases the legal and reputational risks to U.S. and non-U.S. persons alike of dealings with the IRGC.

[View as a PDF](#)

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

John B. Reynolds III

+1 202 962 7143

john.reynolds@davispolk.com

Will Schisa

+1 202 962 7129

will.schisa@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.