

FREQUENTLY ASKED QUESTIONS & RISK ASSESSMENT

Based on the S.R.O. (S.R.O. 1892(I)/2025) (Statutory Regulatory Order) from the Government of Pakistan, here is a detailed FAQ, & Risk Assessment,

FAQ: Pakistan's Re-imposition of UN Sanctions on Iran

1. What is SRO 1892 (1)/2025 and what does it do?

This is an official legal notification (S.R.O. 1892(I)/2025) from Pakistan's Ministry of Foreign Affairs. It formally reinstates a specific set of United Nations sanctions against Iran within Pakistan's territory. This means all individuals and entities in Pakistan must comply with these sanctions.

2. What is Obligation of Pakistan due to "Snap back" Sanction triggered by E3 countries.

Pakistan is fulfilling its legal obligations under the **United Nations (Security Council) Act, 1948**. The sanctions are being "snapped back" due to a process triggered by the [E3 \(France, Germany, UK\)](#). They notified the UN Security Council of significant non-performance by Iran under the JCPOA The [Joint Comprehensive Plan of Action](#) (JCPOA)(2015 nuclear deal). As the Security Council did not block it within 30 days, the old sanctions automatically re-applied internationally **on September 27, 2025**. Pakistan is now legally implementing this decision.

3. Which UN Sanctions are being re-imposed on IRAN as per S.R.O 1892 ?

The S.R.O. re-imposes a wide range of sanctions from multiple UN Security Council Resolutions (1696, 1737, 1747, 1803, 1835, and 1929). These were the core sanctions on Iran's nuclear and missile programs that had been lifted in 2016 under the JCPOA The [Joint Comprehensive Plan of Action](#).

4. What are the key restrictions under this S.R.O. 1892 (1) 2025 ?

The restrictions are comprehensive and include:

Proliferation Embargo: A ban on supplying, selling, or transferring items, materials, and technology that could contribute to Iran's enrichment-related, reprocessing, or heavy water-related activities, or to the development of nuclear weapon delivery systems. This includes technical assistance, training, and financing related to these items.

Arms Embargo: A ban on buying arms from Iran and selling or transferring major conventional weapons and related material to Iran.

Travel Ban: A requirement to prevent the entry into or transit through Pakistan of the 43 designated individuals listed in **Annex-I** of the S.R.O

Assets Freeze: An obligation to freeze all funds, financial assets, and economic resources owned or controlled by the 43 designated individuals and 78 entities listed in **Annex-I of the S.R.O**

Financial Measures: Enhanced vigilance and restrictions on financial services, banking relationships, and public financial support for trade with Iran to prevent the financing of proliferation-sensitive activities.

Cargo Inspections: Authorization and obligation to inspect, seize, and dispose of cargo to and from Iran suspected of containing prohibited items.

Bunkering Services: A ban on providing fuel or supplies to Iranian vessels if they are suspected of carrying **prohibited items**.

prohibited items are those that could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems. The prohibitions are comprehensive and cover supply, sale, transfer, and procurement.

The main categories of prohibited items, materials, equipment, goods, and technology are detailed below.

What are Prohibited Items Based on S.R.O. 1892(1) 2025?

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The main categories of prohibited items, materials, equipment, goods, and technology are detailed below.

A. Nuclear and Nuclear-Related Proliferation Items

The SRO explicitly prohibits items listed in specific international control documents:

Those set out in sections B.2, B.3, B.4, B.5, B.6 and B.7 of INFCIRC/254/Rev.11/Part 1: This refers to the IAEA's "Trigger List" for nuclear-specific materials, equipment, and technology.

Those set out in sections A.1 and B.1 of INFCIRC/254/Rev.11/Part.1: This includes nuclear material (e.g., fissile material) and non-nuclear material for reactors.

Those set out in document INFCIRC/254/Rev.8/Part 2: This is the IAEA's list of dual-use items (goods and technology that have both civilian and nuclear applications).

Those set out in document S/2012/947: This is a list of items related to ballistic missile programs.

Furthermore, States are also required to prevent the supply of **any other items not listed in the documents above** if the State determines they could contribute to:

Enrichment-related activities

Reprocessing activities

Heavy water-related activities

The development of nuclear weapon delivery systems

B. Related Services and Assistance

The prohibition extends beyond physical items to include

Technical assistance or training
Financial assistance, investment, brokering, or other services
Transfer of financial resources or services

...related to the supply, sale, transfer, manufacture, or use of the prohibited items listed above.

C. Arms and Related Materiel

A full arms embargo is in effect, prohibiting:

Procurement from Iran of any arms or related material.

Supply, sale, or transfer to Iran of:

Battle tanks

Armoured combat vehicles

Large calibre artillery systems

Combat aircraft

Attack helicopters

Warships

Missiles or missile systems (as defined for the UN Register of Conventional Arms)

Related material, including spare parts

Other items as determined by the Security Council or its 1737 Committee

Provision of technical training, financial resources, advice, or assistance related to the supply, sale, transfer, provision, manufacture, maintenance, or use of such arms.

D. Prohibited Activities and Acquisitions

The SRO also prohibits specific activities:

Acquisition of an interest by Iran, its nationals, or its controlled entities in any commercial activity involving:

Uranium mining

Production or use of nuclear materials and technology (as listed in INFCIRC/254/Rev.11/Part 1)

Uranium-enrichment and reprocessing activities

All heavy-water activities

Technology related to ballistic missiles capable of delivering nuclear weapons

Transfer of technology or technical assistance related to ballistic missiles capable of delivering nuclear weapons.

Summary Table of Prohibited Measures

Category	What is Prohibited
**Nuclear & Dual-Use Items	Supply, sale, transfer of items listed in INFCIRC/254/Rev.11/Part 1, INFCIRC/254/Rev.8/Part 2, and S/2012/947, and any other items determined to contribute to sensitive nuclear activities.
**Related Services	Providing technical/financial assistance, training, brokering, or investment related to the prohibited items.
**Arms Embargo	All procurement of arms from Iran and supply/sale of major conventional weapons and related materiel to Iran.

Category	What is Prohibited
**Ballistic Missiles	Transfer of technology/assistance for ballistic missiles capable of delivering nuclear weapons.
**Financial & Assets	Freezing funds and assets of designated individuals/entities and preventing them from being made available to them.
**Travel	Entry into or transit through territories for designated individuals.
**Sectoral Investments	Iranian acquisition of interests in foreign uranium mining, enrichment, reprocessing, heavy water, or nuclear-capable missile technology.
**Inspection & Seizure	States are authorized and obligated to inspect cargo and seize/dispose of prohibited items found.

In essence, the SRO re-imposes a stringent sanctions regime aimed at cutting off Iran's access to goods, technology, financing, and expertise that could support its nuclear and ballistic missile programs. The lists of 43 individuals and 78 entities in **Annex-I** are subject to these prohibitions, particularly the asset freezes and travel bans.

6. Who is directly targeted by these sanctions?

A .The sanctions target is **The Islamic Republic of Iran** as a state.

43 specific individuals involved in Iran's nuclear, missile, and defense organizations (e.g., scientists, military commanders, heads of state-owned companies). A prominent example is the late Major General Qasem Soleimani (IRi.039).

78 specific entities including banks (e.g., Bank Sepah), defense organizations (e.g., Defense Industries Organization - DIO), aerospace groups (e.g., Shahid Hemmat Industrial Group - SHIG), shipping companies (e.g., IRISL), and IRGC-linked construction firms (e.g., Khatam Al-Anbiya - KAA).

7. Are there any exemptions?

Yes, but they are narrow and strictly defined:

Proliferation Embargo: Exemptions exist for nuclear items for light water reactors, low-enriched uranium for fuel elements, and items for technical cooperation with the IAEA. Certain activities directly related to the JCPOA The [Joint Comprehensive Plan of Action](#) (JCPOA), **(like modifying the Fordow facility** It is the second Iranian uranium enrichment facility, the other being the Natanz Nuclear Facility. Under the Joint Comprehensive Plan of Action effective January 2016, Fordow was to cease uranium enrichment for 15 years, and carry out civilian research and production.) are also exempt, but all require prior notification and strict end-use verification.

Assets Freeze: Funds can be unfrozen for basic or extraordinary expenses (e.g., food, medicine, legal fees) with prior notification and, in some cases, approval from the UN 1737 Committee.

Travel Ban: Exemptions can be granted by the UN 1737 Committee on a case-by-case basis for humanitarian needs or where travel would further the objectives of the resolutions.

The primary sources for these exemptions, as referenced in the SRO, are:

Paragraphs 3(b), 5, 9, 13, 14, and 15 of **resolution 1737 (2006)**

Paragraph 8(a) of **resolution 1803 (2008)**

Paragraph 10 of **resolution 1929 (2010)**

Paragraphs 21, 22, 23, and 28 of **resolution 2231 (2015)**

In essence, the exemptions create a narrow pathway for humanitarian trade, specific nuclear cooperation projects (**like the Arak reactor modernization**), and the fulfillment of certain pre-existing legal and financial obligations, all subject to strict oversight, notification, and often, case-by-case approval from the UN Security Council's 1737 Committee.

8. Who in Pakistan needs to comply with this order?

The order is binding on "**all concerned**" within Pakistan's territory. This includes, but is not limited to:

Government agencies and departments (e.g., Customs, State Bank of Pakistan, Civil Aviation Authority). Financial institutions (banks, insurance companies). Importers, exporters, and logistics companies. Shipping and aviation industries.

Businesses and individuals engaged in any form of trade or financial transaction with Iran or the designated parties.

9. What are the High-Risk Areas for Pakistani Entities:

Supply Chain & Trade Risk:

Risk: Unknowingly engaging with a designated Iranian entity (or its subsidiaries/shell companies) for the supply of dual-use goods (items with both civilian and military applications). The list of 78 entities includes many front companies.

Mitigation: Implement rigorous due diligence and screening of all Iranian business partners and end-users against the UN Consolidated List and the list in Annex-I of SRO 1892 -2025.

Financial & Banking Risk:

Risk: Processing transactions, providing loans, or maintaining correspondent banking relationships that could facilitate Iran's proliferation-sensitive activities. The order calls for enhanced monitoring of transactions with specific Iranian banks (Bank Melli, Bank Saderat).

Mitigation: Financial institutions must update their sanctions screening lists immediately and apply enhanced due diligence to all transactions involving Iran. They must refuse to process transactions linked to designated individuals/entities.

Shipping & Logistics Risk:

Risk: Providing bunkering services (fuel/supplies) to Iranian-owned or contracted vessels, or handling cargo that may contain **prohibited items**.

Mitigation: Shipping companies must screen vessels and customers. Port authorities must be prepared to inspect suspicious cargo as authorized by the SRO.

Legal & Reputational Risk:

Risk: Violating SRO 1892 (1) 2025 is a violation of Pakistani law and could lead to severe penalties, asset freezes, and criminal prosecution. It also carries significant reputational damage and potential secondary sanctions from international partners.

Mitigation: All organizations must immediately review their existing and potential future engagements with Iran. Internal compliance programs must be updated to reflect these re-imposed sanctions.

Overall Risk Level: HIGH. The re-imposition of these sanctions represents a significant shift in the regulatory landscape. The scope is broad, the obligations are strict, and the consequences of non-compliance are severe.

10. What are the Immediate Actions for Businesses

SCREEN: Immediately screen all business partners, customers, and transactions against the designated lists

FREEZE: Identify and freeze any assets of the designated individuals and entities.

STOP: Halt any ongoing transactions or activities that involve the supply of prohibited items or services to Iran.

TRAIN: Inform compliance, legal, and relevant operational staff about the reinstatement of these sanctions.

SEEK GUIDANCE: Consult with legal counsel for complex situations, especially regarding potential exemptions.

Government Agency Focus:

Customs: Enhance inspection of cargo to/from Iran.

State Bank of Pakistan: Issue circulars to financial institutions to ensure compliance with asset freezes and financial restrictions.

Immigration: Implement the travel ban on designated individuals.

Conclusion: SRO 1892 (1) 2025 is a legally enforceable directive from the Government of Pakistan. Ignorance of the listed individuals and entities or the specific restrictions will not be a valid defense. All entities operating in Pakistan must take immediate and proactive steps to ensure full compliance.

BASED GUIDANCE ON PROLIFERATION FINANCING RISK ASSESSMENT AND MITIGATION

JUNE 2021

Frequently Asked Questions (FAQs): Proliferation Financing Risk Assessment for Pakistan's Maritime Sector

Q1: Why is a Proliferation Financing (PF) risk assessment relevant for Pakistan's maritime sector, given we are not near North Korea (DPRK) ?

ANS: Proliferation networks are global and deliberately use complex, multi-jurisdictional routes to evade detection. The FATF guidance explicitly states that designated entities from the DPRK route shipments and financial transactions through countries far from their borders, often targeting jurisdictions with weak controls or major trade hubs. Pakistan, with its strategic ports like Karachi , PQA and Gwadar on major shipping lanes, is an attractive transit point. Illicit actors may use circuitous shipping routes, falsified documents, and shell companies to move proliferation-related goods through Pakistani waters and ports, making the maritime sector highly vulnerable.

Q2: What is the specific "PF risk" we are assessing in the maritime sector?

ANS: According to the FATF, the PF risk is strictly defined as **the potential breach, non-implementation, or evasion of Targeted Financial Sanctions (TFS)** related to DPRK and Iran. In the maritime context, this means the risk that our port, shipping company, or logistics service could be involved, knowingly or unknowingly, in a transaction that provides funds or economic resources (like a vessel or cargo) to a UN-designated person or entity involved in Weapons of Mass Destruction (WMD) proliferation.

Q3: What are the key risk indicators for PF in the maritime sector that we should look for?

ANS: The FATF guidance lists several maritime-specific risk indicators. Key ones for Pakistan include:

Suspicious Entity Details: A trade or shipping company is registered at a mass registration address (e.g., a P.O. box or a building with many other companies) with no specific unit mentioned.

Illogical Shipping Routes: Shipments taking unnecessarily long or illogical routes with no clear commercial purpose (e.g., a shipment from Far East to the Middle East making an unexplained stop /Transit in Pakistan).

Inconsistent Documentation: Discrepancies between contracts, invoices, and bills of lading regarding the product's description, quantity, value, or the parties involved.

Mismatched Payment and Shipment: Payment for a shipment is made by a third-party company (e.g., a shell company) not listed as the consignee or shipper, with no logical economic reason.

Suspicious Cargo: The declared value of the goods is low compared to the shipping cost, or the type of goods is incompatible with the technical/industrial level of the destination country (e.g., advanced manufacturing equipment being shipped to a country with no such industry).

Flag and Vessel Concerns: Involvement of vessels with a history of frequent flag-hopping (changing their country of registration) or those vessel , which are very old, and small in size, which are often associated with illicit trade.

Transshipment through Weak Jurisdictions: Goods being routed through jurisdictions known for weak implementation of UN sanctions or export controls.

Q4: Which entities within the maritime sector are most vulnerable?

ANS: The guidance highlights that the entire **maritime ecosystem** is vulnerable. This includes:

Port Authorities and Operators: For facilitating the berthing and handling of suspicious cargo.

Shipping Lines and Vessel Operators: For providing the physical means of transport.

Freight Forwarders and Logistics Companies: For arranging complex shipping and documentation that can be used to obscure the true nature and destination of goods.

Customs Brokers: For their role in preparing and submitting declarations that could be falsified.

Maritime Insurance Companies: For providing coverage to vessels and cargoes involved in illicit activities.

Q5: How can we gather information to identify these threats and vulnerabilities?

ANS : A combination of sources is crucial:

UN Panel of Experts (PoE) Reports: Regularly review reports on DPRK and Iran, which detail evolving evasion tactics in the maritime domain.

National Proliferation Financing Risk Assessment (NPFRA) : Refer to Pakistan's NPFRA to understand the national context and priority risks.

Internal Data: Analyze your own customer due diligence (CDD) records, shipping manifests, and transaction histories for patterns matching the risk indicators.

Public-Private Collaboration: Engage with Pakistani competent authorities (e.g., the Financial Monitoring Unit - FMU, SECDIV, FIA, SBP, NACTA,(National Counter Terrorism Authority) SECP (Security and Exchange Commission of Pakistan) FBR-Customs, Ministry of Commerce, Ministry of Foreign Affairs, Ministry of Maritime Affairs and FBR – DNFBPs.

customs, and security agencies, PMSA , PN and JMICC) through formal channels to receive typologies and guidance

International Databases: Utilize international shipping and vessel tracking databases to verify vessel history and ownership. Checking CSR (Continuous synopsis Record) and Last 10 Port of Calls list)

Q6: What are the consequences for Pakistan if a PF breach occurs through its maritime sector?

ANS: The consequences are severe and extend beyond legal non-compliance:

Reputational Damage: Pakistan's ports and maritime trade could be viewed as high-risk, leading to increased scrutiny, higher insurance costs, and reluctance from international partners.

Economic Costs: Could lead to punitive measures, secondary sanctions, or de-risking by international banks, affecting the entire national economy.

National Security Threat: Facilitating WMD proliferation fundamentally undermines global and regional security.

Legal & Regulatory Action: Potential for sanctions from the UN or national authorities against involved entities.

Q7: As a maritime sector operator in Pakistan, what are the first steps in mitigating these risks?

ANS:

1. **Integrate PF into Existing Frameworks:** You do not need a separate system. Incorporate PF risk indicators into your existing Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) and sanctions compliance programs.
2. **Conduct a Risk Assessment:** Follow the stages in the FATF guidance: Scoping, Planning, Identification, Analysis, and Evaluation. Focus on your specific services, customers, and geographic exposure.
3. **Enhance Due Diligence:** Go beyond simple list-checking. Understand the nature of your customer's business, verify the beneficial ownership of companies you deal with, and scrutinize complex or unusual shipping patterns.
4. **Train Staff /Capacity Building:** Ensure frontline staff (e.g., in customer, Agents , Shipping Companies such as **PNSC** onboarding, operations, and compliance) are trained to recognize the specific PF risk indicators relevant to the maritime sector.
5. **Leverage Technology /VMS:** Use software and data analytics to monitor shipping routes, screen for complex ownership structures, and identify inconsistencies in documentation.

Q.8. As a maritime company (e.g., carrier, port operator, freight forwarder), am

I expected to be an expert in identifying dual-use goods?

Answer: No. The FATF report is clear that it is **not the role** of private sector entities to act as export control experts. Lists of controlled goods are lengthy, highly technical, and difficult to interpret. Expecting a shipping company to screen based on goods lists is considered an **"inefficient safeguard."** The primary responsibility for identifying and controlling physical goods lies with national export control authorities and the exporters themselves.

Q.9. If not goods, what should we focus our risk assessment on?

Answer: Our risk assessment should focus on **counterparty and behavioral risks**, similar to other financial crime frameworks. Key areas include:

Counterparty Risk: Who are our customers, partners, and the parties to a transaction? Are they on official sanctions lists?

Geographic Risk: Are you doing business with entities in jurisdictions known for weak export controls, or that are subject to proliferation-related sanctions (e.g., Iran, North Korea (**DPRK**))?

Transaction/Behavioral Risk: Are there unusual patterns in shipping routes, payment methods, or corporate structures that defy commercial logic?

BASED COMBATING PROLIFERATION FINANCING REPORT (FATF)

FEB 2010

Q.1. What is the most effective tool for detecting PF risk according to the FATF report.

Answer: Entity-based screening. The most actionable and effective method is to screen customers, vendors, and other counter-parties against official, government-issued lists of individuals and entities subject to **Targeted Financial Sanctions** (e.g., UN Security Council lists). This is a clear, legally defensible basis for refusing business.

Q.2. What about "advisory lists" or "watchlists" of entities of concern that are not officially sanctioned?

Answer: Proceed with caution. The FATF notes that such lists can be useful for enhanced due diligence but come with legal and practical challenges. If we use them

Do not treat them as sanctions lists. A match does not necessarily mean you must refuse the transaction.

Understand the source and status of the list. Why is the entity listed?

Use a match as a trigger for **Enhanced Due Diligence** (EDD), which may include asking more questions about the end-use of the goods, verifying the counterparty's business, and potentially filing a suspicious transaction report if obliged by national law.

Q.3. What are some specific "red flags" for PF in the maritime sector?

Answer: While the FATF report cautions against over-reliance on generic red flags, potential indicators include:

A customer is reluctant to provide information about the end-user or ultimate consignee.

Routing is illogical or unnecessarily complex (e.g., shipping via multiple jurisdictions for no clear economic reason).

The use of shell companies with no physical presence or online footprint to act as consignor or consignee.

Payment is from a **third party** not involved in the transaction or from a high-risk jurisdiction.

A last-minute change to shipping instructions or documentation.

The customer is involved in a high-risk sector (e.g., certain types of procurement, military, or nuclear research) and exhibits other suspicious behaviors.

Q.4. Should we be filing Suspicious Transaction Reports (STRs) for potential PF?

Answer: Yes. Some jurisdictions already require STRs for PF suspicions. The FATF **recommends** jurisdictions consider applying such mechanisms. Our responsibility is to:

Know our national laws and regulations.

Understand which authority (e.g. **Strategic Export Control Division (SECDIV)** the export control agency) should receive the report.

Report if you have a suspicion, even if you lack full proof. The role is to report suspicious activity, not to investigate and prove the underlying crime.

Q5. What information and support can we expect from governments?

Answer: The FATF emphasizes that government outreach and information-sharing are critical. You should expect:

Publicly Available Sanctions Lists: Official, up-to-date lists of designated entities.

Outreach and Guidance: Seminars, guidance papers, and typologies from **Strategic Export Control Division (SECDIV)** and **Financial Monitoring Unit of Pakistan**

Restricted Forums : Secure, confidential channels for sharing sensitive information with vetted private sector representatives.

Clarity on Legal Obligations: Clear rules on what is required and what protections exist for entities reporting in good faith.

Q.6. What is the core principle for managing PF risk in our sector?

Answer: A Risk-Based Approach (RBA). This means we should:

[identify, assess, monitor, manage, and mitigate](#)

Identify the specific PF risks our company faces based on our customers, services, and geographic exposure.

Assess the level of that risk.

Apply /Mitigate proportionate measures to mitigate the risk. Higher-risk relationships/transactions should receive Enhanced Due Diligence (e.g., more frequent reviews, senior management approval).

Integrate /Manage PF considerations into our existing Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT) and sanctions compliance frameworks, rather than creating a separate, parallel system.

CPF controls and compliance measures as required by FATF
