

ENFORCEMENT INFORMATION FOR DECEMBER 10, 2012

Information concerning the civil penalties process is discussed in OFAC regulations governing the various sanctions programs and in 31 CFR part 501. On November 9, 2009, OFAC published as Appendix A to part 501 new 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/resource-center/sanctions/CivPen/Pages/civpen-index2.aspx>.

ENTITIES – 31 CFR 501.805(d)(1)(i)

Standard Chartered Bank Settles Potential Liability for Apparent Violations of Multiple Sanctions Programs: Standard Chartered Bank (“SCB”) has agreed to settle potential civil liability for apparent violations of: the Burmese Sanctions Regulations (“BSR”), 31 C.F.R. part 537; the Iranian Transactions Regulations (“ITR”), 31 C.F.R. part 560; the now-repealed Libyan Sanctions Regulations (“LSR”), 31 C.F.R. part 550; the Sudanese Sanctions Regulations (“SSR”), 31 C.F.R. part 538; and the Foreign Narcotics Kingpin Sanctions Regulations (“FNKSR”), 31 C.F.R. part 598. SCB’s settlement with the Office of Foreign Assets Control (“OFAC”) is part of a global settlement among SCB, OFAC, the U.S. Department of Justice, the New York County District Attorney’s Office, and the Federal Reserve Board of Governors. The bank agreed to settle with OFAC the apparent violations of OFAC regulations, which OFAC determined were egregious except for the apparent violations of the FNKSR, for \$132,000,000, with the obligation deemed satisfied by payment of a greater amount in satisfaction of penalties assessed by U.S. federal or county officials arising out of the same pattern of conduct.

SCB processed 5 wire transfers totaling approximately \$59,642 between August 5, 2003, and May 24, 2005, involving Burma in apparent violation of the BSR. The total base penalty for this set of apparent violations was \$625,000. SCB processed 488 wire transfers totaling approximately \$24,002,250 between January 26, 2001, and December 31, 2007, in apparent violation of the ITR. The total base penalty for this set of apparent violations was \$74,553,945. SCB processed 135 wire transfers totaling approximately \$12,349,361 between January 11, 2001, and April 27, 2004, involving the Government of Libya or Libyan persons in apparent violation of the now-repealed LSR. The total base penalty for these apparent violations was \$25,127,006. SCB processed 283 wire transfers totaling approximately \$96,665,537 between January 4, 2001, and November 13, 2007, in apparent violation of the SSR. The total base penalty for this set of apparent violations was \$109,320,066. Separate and unrelated to the conduct encountered in the apparent violations of the BSR, ITR, LSR, and SSR described above, SCB processed 8 wire transfers totaling approximately \$243,506.69 between February 28, 2011, and April 5, 2011, in apparent violation of the FNKSR. The total base penalty for this set of apparent violations was \$121,753.

SCB voluntarily self-disclosed all of these apparent violations under the terms of OFAC’s Economic Sanctions Enforcement Guidelines (“the Guidelines”). The statutory maximum penalty in this case was \$427,852,032. The total base penalty amount under the Guidelines for all apparent violations was \$209,747,769.

In reaching its determination that the above-referenced apparent violations, except for the apparent violations of the FNKSR, were egregious, OFAC determined that SCB's conduct was marked by recklessness; a number of SCB employees, including senior management, were aware of the conduct that led to the apparent violations; the apparent violations resulted in significant harm to U.S. sanctions programs objectives; SCB is a highly sophisticated global financial institution; SCB did not maintain adequate policies or procedures to ensure compliance with the sanctions programs administered by OFAC; and any civil penalty should be commensurate with the seriousness of SCB's conduct in order to achieve maximum future compliance effect and deter similarly situated financial institutions. Mitigation was extended because some of the apparent violations processed by SCB may have been eligible for an OFAC license; SCB has not received a penalty notice, finding of violation, cautionary letter, warning letter, or other administrative action from OFAC in the five years preceding the date of the transactions giving rise to the apparent violations; SCB voluntarily self-disclosed all of the apparent violations; SCB provided substantial cooperation to OFAC; and SCB took appropriate remedial action in response to matters described above. Mitigation was further extended because SCB agreed to settle these apparent violations.