



By: Tomorrow's Affairs Staff

Iran's oil network faces most extensive US action to date



On 20 November, Washington imposed a new series of sanctions on Iran, but this time the focus is not on nominally state-owned companies but on the network of front companies and tankers that physically transport oil and money to Iran's armed forces.

The Department of the Treasury's Office of Foreign Assets Control (OFAC) and the **Department of State** have issued coordinated decisions targeting what the Americans themselves call the "shadow oil network" – a clandestine network that effectively serves as a financial extension of the General Staff of the Iranian Army.

At the centre of this network is Sepehr Energy Jahan Nama Pars Company. In American documents, this company is explicitly described as a branch of the Iranian General Staff responsible for selling oil, that is, as a formal enterprise tasked with converting resources into cash to finance the army.

OFAC has already taken action against Sepehr Energy, and the new **round of sanctions** only confirms that Washington regards the entity as a key financial artery, not a secondary intermediary.

What is new in the November package is its scope and precision. The American authorities do not stop at general statements but name specific tankers, companies and individuals, state the countries of registration, and even describe particular cargoes.

The statement from the Treasury notes, for example, that the Pioneer Sam, a Palau-flagged crude oil tanker, transported more than ten million barrels of Iranian fuel oil in over thirty shipments in the past two years, including shipments to the United Arab Emirates worth over 60 million dollars.

Tusitala, Nexo, Kaisa I, Gas Athena and others, designated as part of the same "shadow" fleet, receive similar treatment.

network

What emerges from these documents is clear. Sepehr Energy, as the military's oil arm, does not remain in Tehran negotiating only with state-owned companies.

It uses companies registered in the Emirates, Panama, India, Singapore, the Seychelles, the Marshall Islands, and other jurisdictions to provide shipping, insurance, cargo repackaging, and to conceal the origin of goods.

In the Emirates, companies such as Mars Investment and Moon Line Plastics are identified; according to OFAC, they pay for tanker charters and arrange deliveries, with Iranian oil being relabelled as "Malaysian heavy crude" or given other neutral labels in documents.

The State Department published a fact sheet, which particularly emphasises the geographical reach of this network

In parallel, the State Department published a fact sheet, which particularly emphasises the geographical reach of this network.

The Singaporean company Strasselink is mentioned as having repeatedly provided pilot services to tankers of the National Iranian Tanker Company through the Strait of Malacca, after which the ships proceeded to areas outside Singapore's territorial waters where ship-to-ship transshipment occurs.

In this way, according to American data, more than twenty million barrels of Iranian oil were transferred at this single point in the chain.

The same document names the Indian company TR6 Petro India, which imported several million dollars' worth of bitumen of Iranian origin.

The geographical reach of the

Continuity of the American

approach to Iran

The basis for these measures is neither new nor isolated. They rely on a set of already established legal instruments of US policy towards Iran.

The Treasury enforces executive orders related to terrorism and Iran's oil sector, mainly **Executive Order 13224**, which allows for the identification of groups that support the Revolutionary Guard, and **Executive Order 13902**, which focusses on Iran's oil and petrochemical industries.

Simultaneously, the State Department employs **Executive Order 13846**, which renews sanctions following the US's withdrawal from the nuclear agreement.

Combining these legal bases covers the Iranian state itself and its military apparatus, as well as companies, shippers, brokers, insurers and intermediaries in third countries that enable the transport and sale of Iranian oil.

For those who make it onto this list, the consequences are tangible: most international banks and partners automatically terminate cooperation.

Washington seeks to capture the layer of shell companies that such networks almost invariably use to conceal the real ownership chain

Assets under US jurisdiction are frozen, US individuals are prohibited from doing business with them, and non-US companies and banks risk secondary sanctions if they continue to cooperate.

The "50 per cent rule" means that if certain entities own half or more of a company (directly or through intermediaries), that company automatically falls under the sanction regime, even if it isn't specifically listed in American documents.

This is a mechanism by which Washington

seeks to capture the layer of shell companies that such networks almost invariably use to conceal the real ownership chain.

This was preceded by several related packages during the year, so the new measures fit into the continuity of the American approach to Iran.

In February and May, networks were sanctioned that mediated the sale of **Iranian oil** to China, also on behalf of the Iranian General Staff and Sepehr Energy, with an estimated "millions of barrels" and revenues of hundreds of millions of dollars.

In July, a package followed that targeted more than a hundred entities and ships in about twenty countries, for a network that served both **Iranian and Russian oil** and generated tens of billions of dollars in revenue.

A continuation of maximum pressure

This package carries more weight than previous ones because, for the first time, it directly targets the entire chain that Iran's armed forces use to sell oil and conceal money flows.

The explanation states that these revenues are becoming a "crucial source of funding" for Iran's armed forces at a time when Tehran is recovering from defeat in the recent 12-day war with Israel.

In the same narrative, sanctions are presented as a continuation of maximum pressure, only now under conditions in which Washington, at least for now, is not moving towards a major diplomatic arrangement with Iran but is instead combining limited use of force with regulation of financial flows.



OFAC is expanding measures against Mahan Air, an airline that has been subject to US sanctions for years due to its ties to the Revolutionary Guard

It is also important that the package targets not only oil but also the air transport of weapons and personnel to proxy structures.

OFAC is therefore expanding measures against Mahan Air, an airline that has been subject to US sanctions for years due to its ties to the Revolutionary Guard.

This time, Yazd Airways, a subsidiary of Mahan Air, is added to the list, along with specific aircraft.

Reports stated that these capacities were used to transport IRGC officers to Lebanon, support Hezbollah, and move equipment and personnel into Syria.

This clearly links the energy sector, logistics, and Iran's geopolitical role in the region, sending a message to allies in Europe and Asia who monitor these trends, as well as to companies involved in the civil aviation business.

The financial system will remain a central battleground

A question that remains concerns effectiveness. The experience of previous years shows that Tehran manages to maintain a significant level of oil exports despite increasingly complex sanctions packages, primarily due to buyers who do not recognise US jurisdiction and are willing to rely on the "shadow fleet".

China is a key example. It continues to purchase a significant portion of Iran's oil, often through small independent refineries, thereby realistically limiting the effect of US policy.

European countries formally respect the American measures, but some business with Iranian derivatives still passes through ports and financial centres under their supervision

European countries, on the other hand, formally respect the American measures, but some business with Iranian derivatives still passes through ports and financial centres under their supervision.

Despite these limitations, the November package has two distinct functions.

The first is legal and technical: it further deters shippers, insurers, banks, and brokers who may be considering entering the Iranian oil business, as it demonstrates that US authorities are indeed monitoring specific ships, routes, and companies.

The second is political: Washington aims to signal that the financial system will remain a central battleground in its relations with Iran, especially after the war with Israel and the tightening of relations regarding the nuclear programme.

At a time when the diplomatic framework is effectively frozen and military escalation has shown its limits, there is still scope for continued pressure in the sector that is most difficult for Tehran to replace – the export of oil and derivatives.