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***Statement by Ambassador Zalmay Khalilzad, U.S. Permanent Representative, on Iran Sanctions and the 1737 Committee, in the Security Council, September 11, 2008***

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Mr. President, the United States thanks the Chair for his report on the actions taken by states in fulfillment of their obligations under Resolutions 1737, 1747, and 1803 to take measures to counter the proliferation and development of nuclear technology and ballistic missiles by Iran. I must note that Iran continues to defy the continued demands of this Council to suspend its uranium enrichment program and activities related to its heavy water reactor, and has failed to cooperate with the International Atomic Energy Agency's investigation.

Today, I would like to make four points.

The United States believes it is essential that Member States implement the provisions of United Nations Security Council Resolutions 1737, 1747, and 1803. We encourage all states to take actions that are complementary to those explicitly required by these resolutions to achieve the international community's ultimate objective: persuading Iran to make a strategic decision to abandon its pursuit of a nuclear weapons capability. Full implementation of the resolutions will maintain pressure on Iran to change course.

We would like to call special attention to the need to implement the provisions of the Council resolutions regarding Iran's financial institutions. The goals of these provisions are to ensure that Iran's financial sector is not used to fund proscribed nuclear proliferation or missile programs.

As mentioned by the Chairman to help ensure this on August 1st, the United States, France, and the United Kingdom distributed to the Council a list of banks domiciled in Iran which included their branches and subsidiaries abroad. We hope that the sharing of this kind of information will assist other countries in carrying out their obligations under these resolutions. We note that these resolutions apply to all types of financial institutions, including both banks and insurance providers.

The United States seeks to aid the 1737 Committee in carrying out its mandate to examine information regarding alleged violations of imposed measures and to seek information from all states regarding actions taken by them to implement the imposed measures. It is in this vein that the United States provided a briefing to Council members on September 10th about our own efforts to implement the provisions of the Iran sanctions resolutions related to financial institutions, in particular paragraph 10 of Resolution 1803.

By sharing best practices, we seek to assist other states in deciding how to carry out this vigilance, particularly because we have encountered a number of attempts by Iran to avoid sanctions through the use of deceptive financial practices. Vigilance is a matter for each member state. We would encourage

other countries to share their experiences so that we may help each other implement the provisions of these resolutions more effectively.

Mr. President, finally, the United States' objective remains a diplomatic resolution to this issue. Iran must fully and verifiably suspend its uranium enrichment-related, reprocessing, and heavy water-related activities, and cooperate fully with the International Atomic Energy Agency, as required by the UN Security Council.

Thank you, Mr. President.