The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

VTB Closes Iran Embassy Staff Accounts

By The Moscow Times

March 04, 2012

State-controlled VTB bank is closing down the accounts of Iranian Embassy staff in Moscow in a step criticized by Ambassador Seyed Mahmoud-Reza Sajjadi as surrendering to U.S.-led financial sanctions against Tehran .

Sajjadi said Friday that the shutdown had been ordered at short notice by VTB 24, the retail-banking arm of Russia 's second-largest bank VTB, and that his own credit card had been blocked.

The closure of the embassy staff's personal accounts, confirmed by VTB 24, comes as Washington steps up efforts to block Iran's ability to conduct financial transactions and force it to the negotiating table over its nuclear program.

In a blog post headlined "VTB 24 Surrenders to the Mercy of the USA," Sajjadi wrote that the bank had told embassy staff Thursday to close their accounts by the end of the working day Friday, or risk losing their deposits.

"Such behavior by the bank is crude, unprofessional and characteristic only of a Third World country," Sajjadi wrote. An embassy spokesman confirmed the blog's authenticity but declined further comment.

A spokesman for VTB 24 said it had informed the embassy in good time of its decision, which was made for business reasons.

The move comes after the European Union announced new sanctions in January, placing an immediate ban on all new contracts to import, purchase or transport Iranian oil. EU officials also agreed to freeze the assets of Iran's central bank and ban trade in gold with the bank and state bodies.

In December, U.S. President Barack Obama signed into law a bill imposing sanctions on financial institutions dealing with Iran's central bank . The financial sanctions are intended to pressure Iran into abandoning a nuclear program that the West fears will be used to develop atomic weapons.

Like the United States , Russia is part of a six-nation group leading global efforts to ensure Iran does not seek nuclear arms and has approved UN Security Council sanctions against Tehran over its nuclear defiance.

But it has vehemently criticized the United States and EU for imposing additional sanctions, including financial measures, and said the West should work harder to seek compromises that could defuse the standoff over its nuclear program.

Iran, the world's fifth-largest oil exporter and the biggest oil producer in OPEC after Saudi Arabia , says its nuclear program is purely for peaceful purposes.

There have been reports that India would seek to use Russian bank Gazprombank to handle payments for its crude oil imports from Iran, but this has been denied by Indian officials and by Gazprombank .

Russia , already at loggerheads with the West over the uprising in Syria , has repeatedly warned against a possible military strike by Israeli or Western forces to knock out Iran's uranium enrichment efforts.

Moscow has supported Iran's civilian nuclear program by building the Bushehr atomic power plant, which started operations last year after years of delays. In some cases, Iranian officials suggested delays were deliberate and that Russia was using the project as a lever in diplomacy.

Iran's state-trading corporation, meanwhile, has emerged as a significant buyer of Russian grain on international markets to meet the country's food needs, purchasing 500,000 tons of Russian wheat last week. Iran has also bought U.S. wheat.

Original url:
https://www.themoscowtimes.com/2012/03/04/vtb-closes-iran-embassy-staff-accounts-a13037