

# Iran and the USA don't have to be enemies

*A friendly relationship can better serve interests of the USA*



SAYEED AHMED

**T**HE contradiction couldn't be more striking.

In the immediate aftermath of 9/11, when the USA was planning its Afghanistan invasion against the Taliban government, it chose Pakistan's military establishment as its ally and made Pakistan the base of the whole operation. The fact that the Inter-Services Intelligence (ISI), the premier intelligence agency of Pakistan, was the Taliban's chief patron right from its birth, was conveniently ignored.

Similarly, during its invasion of Iraq in March 2003, Saudi Arabia became America's closest ally and its operational base, a country that had been pouring in hundreds of millions of dollars in Afghanistan and other countries to promote terrorism, puritanical Islam and a global Jihad against the West, not to mention that Osama bin Laden and most of the 9/11 hijackers were Saudi nationals.

In both countries, Iran—being opposed to the Taliban's Sunni version of Islam and Iraq's Saddam regime—offered useful intelligence and other assistance to the USA, a gesture that was never reciprocated. On the contrary, in January 2002, US President George W Bush made his "Axis of Evil" State of the Union Address blaming Iran, among others, of sponsoring terrorism and seeking weapons of mass destruction. Iran—strategically located, technologically the most advanced nation in the region after Israel and with a large petroleum reserve—became America's enemy number one.

History shows that while Iran considered the USA as an ally right from the start, successive American governments increasingly adopted hostile attitudes towards it, and aligned with the historical colonial interests of Britain and other Western countries, contradicting the popular sentiment in Iran. This became obvious in 1953 when the CIA orchestrated a coup d'état and deposed the popular government of Mohammad Mosaddegh (Iranian Prime Minister from

1951 to 1953) as he was trying to nationalise Iran's oil industry. Instead, they installed Mohammad Reza Shah, a loyal American client who ruled Iran with an iron fist for the next 26 years. Iranians no doubt were deeply offended and realised that the USA was only continuing the role Britain and France had been playing all along in the Middle East.

From 1979 to 1981, a number of events changed the course of USA-Iran relations forever. First, in January 1979, an Islamic

Revolution took place under the leadership of the late Ayatollah Khomeini, forcing Mohammad Reza Shah to flee. This was followed by the proclamation of the Islamic Republic of Iran in April of that year. Then, the US Embassy in Tehran was taken over by protesters in November with 52 hostages inside, to be released only after a long 444 days in January 1981, but not before the disastrous failure of a US rescue mission, Operation Eagle Claw, involving the death of eight American servicemen in the deserts near Tabas in the South Khorasan Province

and US President Barack Obama spoke over phone—the first such top-level conversation in more than 30 years. Then in 2015, after a flurry of diplomatic activity, Iran signed a long-term deal on its nuclear programme with a group of world powers known as the P5+1—the US, UK, France, China, Russia and Germany—and agreed to limit its nuclear activities in return for the lifting of economic sanctions.

However, in May 2018, President Trump abandoned the deal and re-imposed even tighter sanctions on Iran, leading to increased

tensions in the region, culminating in the assassination of Qasem Soleimani, the architect of Iran's overseas proxy wars and a widely popular figure in Iran.

Iran's security concerns are rooted in its history. In 1747, Ahmed Shah Durrani united the Pashtun tribes and founded an independent Afghanistan, breaking away from its Persian masters. Then in the 19th century, the Russian Czar scooped up Dagestan, Azerbaijan and parts of Armenia from Persian control. During the Second World War, Iran was lucky to have escaped breaking up, unlike its Arab neighbours, by the world powers. Iran's current security concerns are by no means unfounded, as David Dunn discusses in "Real men want to go to Tehran": Bush, Pre-emption and the Iranian Nuclear Challenge" (International Affairs, January 2007). Dunn provides ample evidence of Iran being the real target behind America's Iraq mission in 2003.

After the Islamic Revolution in 1979 and the subsequent sanctions by the USA, EU and UN, Iran was practically isolated. The Iran of that time might have had the ideology of exporting the Islamic revolution, but it soon evaporated when it was attacked by Iraq. The eight-year-long brutal war brought Iran's security concerns to ground realities as it realised that protecting territorial integrity and economic and security interests are much more important than an Islamic revolution, despite what its anti-USA rhetoric might suggest.

However, years later, Bush Jr's "Axis of Evil" speech infuriated the Iranian leadership.

Tehran started following a strategy of creating hostile environments for foreign forces that are opposed to it by building political alliances with various state and non-state actors and actively supporting them with funds, arms, training and intelligence. In Iraq, it sent Quds personnel and supported the militia groups that carried out sustained attacks on US troops and their allies, on an average of three per day every day for five years, until US withdrawal in 2011. In Lebanon, Iran formed a key alliance with Hezbollah against Israel and other associated militias. In Syria, it

salvaged the regime of Bashar Al Assad so that the supply line to Hezbollah, the Shia group in Lebanon, would not be cut off. In Yemen, Iran supported the Houthis rebels against the government that was backed by Saudi Arabia, USA, France and other Arab countries. In each case, Tehran has made clever use of sectarian tensions and its presence on the ground through Hezbollah and IRGC (Islamic Revolutionary Guard Corps, an elite Iranian security outfit) men. In response to Bush's rhetoric, Iran has created an "Axis of Resistance", an elaborate network of defense across the region, stretching from the Western borders of Afghanistan to the Mediterranean, against its historical rivals Saudi Arabia and Turkey, making it difficult for any country to sustain supporting them.

The success of this strategy is clearly evident in Iraq. As the US created a power vacuum by eliminating Saddam Hossain, Iran was quick to fill it up through its network of allies. It was again Iran that called in the Russian Air Force in Syria to its own benefit and saved Assad's regime from imminent collapse. Iran's once top strategist Qasem Soleimani successfully blended state machinery with insurgent organisations, and this trend will continue in the foreseeable future. With the assassination of Soleimani, Iran is likely to become even more nationalistic and determined, making any war in the region impossible to end.

America's choice of allies is guided by its long-term interests and goals, especially those of the defense and oil industries. As it appears, in the case of the Middle East, the preference is continuation of the conflicts rather than diffusion. Arguably, a non-hostile American relationship with Iran might actually serve this purpose better. Mega contracts for modernising Iran's oil and defense industries will be the much-coveted prize for winning a war against Tehran. But as this is less likely to happen in the foreseeable future, a friendly Iran may be a better option for Washington.

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US President Donald Trump and Iranian President Hassan Rouhani



PHOTO: AFP

# Trade based money laundering

*A threat to the growth and sustainable development of Bangladesh*

MAZHARUL ISLAM

**M**ONEY laundering and terrorist financing have become matters of grave concern around the world and with the developments in technology and inadequate legal frameworks, criminals are able to change their strategy on and off to divert the attention of law enforcement agencies to launder money and finance terrorism. However, over the years, trade based money laundering has also drawn the attention of global bodies. The intergovernmental organisation Financial Action Task Force identifies trade based money laundering and terrorist financing as one of the major methods by which criminal organisations and terrorist financiers disguise the proceeds of crime and move value by using trade transactions, in an attempt to legitimise their illegal origins. According to a Global Financial Integrity report, Bangladesh is one of the top countries facing trade based money laundering, which is a significant threat to growth and sustainable development. According to the survey, conducted by the Bangladesh Institute of Bank Management, this has become a major concern for the banking industry of Bangladesh because of rapid expansion of foreign trade.

It is difficult to estimate exactly how much illicit money flows through the world's financial system every year, but the amounts involved are undoubtedly huge. According to a report from Transparency International Bangladesh, some USD 3.1 billion or BDT 26,400 crore is being illegally remitted

from Bangladesh every year. This syphoning of money is depriving the government exchequer of about BDT 12,000 crore as revenue each year, according to the report.

Trade based money laundering and terrorist financing is a process of moving money made from criminal activities for the purpose of disguising its origins and integrating it back into the formal economy. For instance, let's assume that Mr X, an importer of fruits, usually operates with Bank Y with small scale letters of credit (LCs). All of a sudden, he opens accounts with four other banks and opens 20 LCs with the banks worth USD 5 million. The banks then process the import payments based on shipping documents. However, it is found later that no single shipment was made against the LCs and the amounts remitted were not refunded. This is clear proof of money laundering.

Bangladesh is fully committed to remain at the forefront of global efforts to fight trade based money laundering and terrorist financing. In line with international standards and initiatives, Bangladesh has passed the Money Laundering Prevention Act (MLPA), 2012 and Money Laundering Prevention Rule, 2019, as well as the Anti-terrorism Act, 2009 and Anti-terrorism Rules, 2013. According to section 2(v)(ii) of the MLPA, "smuggling money or property earned through legal and illegal means to a foreign country" counts as money laundering and leads to stringent punishments for the offence. Bangladesh is also a signatory member of the Vienna Convention, 1988 against illicit traffic in narcotic drugs, and the Palermo Convention, 2000 against

*As the banking sector of the country is more vulnerable, bankers should remain familiar with the different methods that may be used for this laundering.*

transnational organised crime. As a member country of the Asia Pacific Group on Money Laundering, Bangladesh is committed to the effective implementation and enforcement of the internationally accepted 40 recommendations of the Financial Action Task Force on money laundering and terrorist financing. Bangladesh also has membership of the Egmont Group, which helps garner global support in fighting money laundering, terrorist financing and other financial crimes.

In 2019, the Bangladesh Financial Intelligence Unit (BFIU) issued the "Guidelines for Prevention of Trade Based Money Laundering", which helps banks to prevent money laundering being done in the name of export and import. According to the guidelines, all banks will have to prepare their own policies to prevent money laundering and submit those to the BFIU within March

2020 and they will have to implement the guidelines within June of this year.

In the recently published Financial Secrecy Index 2020, Bangladesh has ranked 54th out of 133 nations. The score is an indication of how intensely Bangladesh's legal and financial systems allow criminals to hide and launder money. However, a higher rank on the index does not necessarily mean there is the absence of a legal framework and regulatory guidelines in Bangladesh. It is the lack of implementation of such laws and guidelines that leads to a failure in ensuring justice that allows wealthy individuals and criminals to hide and launder money.

If we look at why such practices are going on, the absence of regulatory monitoring and supervision of financial activities of individuals and enterprises is an obvious reason, since this helps criminals to hide their actual financial reports. The lack of good governance and compliance within enterprises is another major reason to hide information and launder money. Absence of coordination is also one of the major challenges in combating trade based money laundering. Wrong declarations of the pricing of imported and exported products are a cause of concern as well, since there is a minimum price limit for products but no maximum limit. As a result, this allows fraudsters to easily launder money. Moreover, many products are not traded in public markets and their market prices are not publicly available.

While the cases of willful money laundering are more likely, it is also important to remember that a single error in

performing foreign exchange activities can cost thousands of dollars. In Bangladesh, there is limited skilled manpower who are able to understand and handle these foreign exchange dealings very well.

As Bangladesh is one of the fastest growing economies in the world and is looking forward to transforming into a developed economy by 2041, policymakers and regulators should take the necessary steps to combat trade based money laundering and terrorist financing. Implementation of laws relating to this needs to be ensured and every criminal needs to be brought under the jurisdiction of the law. As trade processes involve multiple parties and this offence differs in extent and mechanism from country to country, combating this crime requires unified measures from all concerned agencies. To ensure coordination and concerted efforts among regulatory authorities, a coordinated risk management unit could be formed. A systemic audit from regulators can play a big role in prevention as well. Financial industries should also be required to adopt proper mitigation measures, including written policies and procedures, to assess and mitigate such money laundering risks. As the banking sector of the country is more vulnerable, bankers should remain familiar with the different methods that may be used for this laundering. We need to ensure that every trade transaction undergoes a trade based money laundering alerts analysis and sanction screening in order to effectively combat it.

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## QUOTABLE Quote



LANGSTON HUGHES

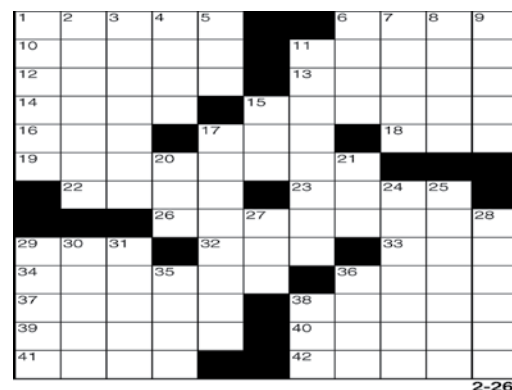
(1902-1967)

Poet, novelist and playwright

*Humor is laughing at what you haven't got when you ought to have it.*

## CROSSWORD BY THOMAS JOSEPH

- |                     |                    |                            |
|---------------------|--------------------|----------------------------|
| <b>ACROSS</b>       | 34 Made blank      | 9 Flock sound              |
| 1 Want badly        | 36 Helsinki native | 11 Really, really old      |
| 6 Leg, e.g.         | 37 Finishes last   | 15 Recipe amount           |
| 10 Daughter of Leda | 38 Unspoken        | 17 Impeccable              |
| 11 Prison-based     | 39 Gives off       | 20 Crunch targets          |
| 12 Map collection   | 40 Make recompense | 21 Brief drop              |
| 13 Kitchen cooker   | 41 Game fish       | 24 Jam fruit               |
| 14 Seasonal song    | 42 Doled           | 25 Like the pride          |
| 15 Movies           |                    | 27 Relieve                 |
| 16 Gentle pull      |                    | 28 Ready for the body shop |
| 17 Total            | <b>DOWN</b>        | 29 Paparazzi target        |
| 18 Mob pariah       | 1 Monk music       | 30 Kitchen come-on         |
| 19 Tossed out       | 2 Fix up a photo   | 31 Starting point          |
| 22 Boxcar rider     | 3 Brisk tempo      | 35 Match parts             |
| 23 Lab container    | 4 Schnitzel base   | 36 Destiny                 |
| 26 Short of cash    | 5 Print measures   | 38 Scott's cap             |
| 29 Hailed vehicle   | 6 Free of fat      |                            |
| 32 Rap's - Nas X    | 7 Central          |                            |
| 33 Fish eggs        | 8 Molten rock      |                            |



## YESTERDAY'S ANSWERS

P A S T E G L A R E  
 E T H A N A U D E N  
 R O U N D I N G O F F  
 I N N L O G P R O  
 L E S S E N S T I L  
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 S O U N D I N G O F F  
 E M C E E T I T L E  
 S E E D S S N E E R

## BETLE BAILEY

by Mort Walker



## BABY BLUES

by Kirkman & Scott



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