

The Compliance Bridge

A weekly briefing on the regulatory developments shaping compliance across Lebanon, the Gulf and beyond.

THIS WEEK'S DEVELOPMENTS

01 OFAC Designates A7 Network Over \$17bn in Sanctions Evasion

On 1 October 2026, the U.S. Department of the Treasury designated the A7 Network, a Russia based payment platform, as a significant transnational criminal organization for running a shadow banking system that moved roughly \$91.5 billion in 2025, about 13% of Russia's foreign trade. OFAC stated A7 sub-agents processed over \$17 billion between January 2025 and June 2026 for sanctioned Russian and Iranian parties – one sub-agent alone received close to \$140 million tied to Iran's oil sales and weapons procurement. FinCEN separately proposed barring U.S. institutions from processing A7 sub-agent transfers.

Implication: *Institutions with correspondent or trade-finance exposure to Russian or Iranian counterparties should screen for A7 and its sub-agents now, and treat Iran linked payments routed through Russian payment rails as a heightened risk typology.*

Source: U.S. Department of the Treasury, press release, 1 October 2026

02 US Sanctions UAE Suppliers to Iran's Auto and Steel Sectors

On 1 October 2026, the U.S. Department of the Treasury, under Operation Economic Outcast, designated Iran's largest automakers, Iran Khodro Company and SAIPA, plus rail operator Islamic Republic of Iran Railway Company and steelmaker Heavy Equipment Production Company, as IRGC linked industrial pillars. The action also designated three UAE based suppliers – Integrated Auto Parts LLC, Silver Line Metal Trading LLC and Ras Al Khaimah based Traco International FZE – alongside counterparts in Hong Kong, Indonesia and Türkiye, for supplying the sanctioned manufacturers.

Implication: *UAE based trading companies and their banks should screen counterparties against these three newly designated entities without delay, and Gulf trade financiers should expect closer scrutiny of Iran adjacent supply chains.*

Source: U.S. Department of the Treasury, press release, 1 October 2026

03 Treasury Dismantles Hamas Crypto Fundraising Network in Gaza

On 2 October 2026, the U.S. Department of the Treasury designated a Hamas financing network built around two French registered charities, Association Baraka and Ensemble C Mieux, for channelling donor funds via cryptocurrency wallets to Hamas battalion deputy Saleem Abdallah Saleem al-Zaq in Gaza. Treasury stated the network collected more than \$2 million for Hamas between 2020 and 2026, including \$1.5 million raised after October 2023, bypassing the formal banking system entirely.

Implication: *Charities and payment processors handling Gaza directed donations should tighten beneficiary due diligence and treat crypto denominated transfers into the territory as a specific red flag pending further guidance.*

Source: U.S. Department of the Treasury, press release, 2 October 2026

04 IMF to Review Lebanon's Bank Resolution Law After Appeal

On 1 October 2026, the IMF confirmed it will assess any changes to Lebanon's bank resolution law, approved by Parliament in August 2026, after President Joseph Aoun referred its central bank independence provision to the Constitutional Council. IMF spokesperson Julie Kozack said the law as passed is consistent with international standards, while a new staff level programme still requires a revised financial gap law and a 2027 budget framework.

Implication: *Lebanese banks and boards should track the Constitutional Council's ruling closely, since any amendment could affect restructuring timelines, depositor treatment and the sequencing of a new IMF programme.*

Source: IMF remarks reported by The National, 1 October 2026

LOOKING AHEAD KCG is quietly developing a new initiative in compliance technology. Details will follow in a future issue – subscribers will be the first to know.



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