



The sign of the Central Bank of the Islamic Republic of Iran is seen in Tehran, Iran January 25, 2023.

## Fierce Debate Rages In Iran After Frozen Funds Are Unblocked

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The unblocking of Tehran's frozen funds after a hostage release deal with the United States has led to internal political debates and recriminations in Iran.

The former Central Bank governor has criticized the government's claim of freeing \$6b without a new nuclear deal or [accession to the anti-money-laundering watchdog, FATF's](#) rules.

"Should we now rejoice for using our resources for food and medicine with America's permission? Is this neutralization of [US] sanctions? Why don't you say that we have been deprived of \$6b in oil income every two months, a total of \$72b, during [past] two years?" Abdolnaser Hemmati [asked the government in a post Saturday](#) on Twitter which has now been rebranded as X. He was referring to incessant opposition by hardliners to resolving differences with the United States in the past several years. The same hardliners now control Iran's government.

They have continued to gloat about the government's "achievement" and the Tehran Municipality-owned Hamshahri newspaper, which is now controlled by hardliners, has admitted that dual citizens were indeed taken hostage to force the United States to unfreeze Iran's frozen assets.

The reformist Ham-Mihan newspaper also argued the \$6b that Iran will be able to use will not “undo any major knots in the country's circumstances” because reducing the risk of foreign investment in Iran would have been a much more important factor in improving the country.

### **Abdolnaser Hemmati, the former governor of Iran's Central Bank**

**In a series of other posts Friday**, Hemmati also argued that US sanction are still in place and any agreement with the US outside the framework of the 2015 nuclear deal, which has become obsolete in the past two years, does not change it. He also said the criticism against the government remains valid for dragging the process so much and returning to the starting point after two years of losses incurred by the country.

“Why did you circumvent Europe and resorted to [the mediation of] regional countries? More importantly, why you couldn't implement the JCPOA or achieve a better deal to remove the sanctions despite claiming to be a mighty government?” he asked.

“Confirmed: One billion of the \$7b [of frozen assets in South Korea is gone!” Mostafa Faghihi, the managing editor of the moderate conservative Entekhab news website said in an X post. “Can you see how the Iranian nation's assets are being squandered as a result of the glorification of these gentlemen and theoreticians of ‘resistance against sanctions until the death of others’?”

Governor of the Central Bank of Iran, Mohammad Farzin, has admitted that the Iranian money held by South Korean banks has **lost around \$1b of its value** in the past five years due to the devaluation of Won against the dollar during this period.

Faghihi, too, criticized the government for claiming that its foreign policy is “dignified” although they have agreed to have the approval of the United States for spending every cent of the unfrozen assets which should only be used for food and medicine.

Nizar Zakka, a Lebanese businessman who spent about four years in prison in Iran, however, **told Iran International** that his sources believe Iran will be

receiving over \$10 billion as part of the deal with the US to be spent exclusively for humanitarian purposes.

Iran's funds are mostly kept in banks in South Korea (\$7 billion), Iraq (\$11 billion), Japan (\$3 billion) as well as China and India where Iran is owed for shipments of crude and other oil products before 2018 when the United States pulled out of the JCPOA nuclear deal and re-imposed sanctions on Tehran.

In the past few years Iran has arrested several dual citizens on trumped up charges of spying for the US or European countries, in effect using them as hostages to extract concessions.

Security forces' arrest of dual citizens, that is hostage-taking, was a display of Iran's great intelligence capability which "forces the enemy to unfreeze Iran's blocked assets," a commentary published in a newspaper's front-page Saturday claimed.

Zakka, who is the president of Hostage Aid Worldwide – an NGO to support and help the release of people held hostage for unjust reasons – said his organization hopes that the prisoner swap deal will put an end to the "hostage business model" that the Islamic Republic has been conducting.

## Iran Protests



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