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US releases \$6bn in frozen Iran funds for prisoner swap

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Tens of billions of dollars belonging to Iran have been frozen in bank accounts because of US sanctions

By David Gritten

BBC News

The US has issued a sanctions waiver for banks to transfer \$6bn (£4.8bn) of frozen Iranian funds from South Korea to Qatar, paving the way for the release of five Americans held by Iran.

Secretary of State Antony Blinken told Congress that the money would provide "limited benefit" to Iran as it could only be used for humanitarian trade.

He also confirmed that five Iranians detained in the US would be freed as part of the prisoner exchange deal.

Republicans condemned the transfer.

One senator accused President Joe Biden of paying a "ransom to the world's worst state sponsor of terrorism".

Last month, US officials said **four American-Iranian dual nationals had been taken out of Evin prison** in Tehran and moved to house arrest.

Three of the prisoners were named by a lawyer as Siamak Namazi, Emad Shargi and Morad Tahbaz, who also has British citizenship. The fourth was not identified, nor was the fifth, who was already under house arrest.

- **Who are the dual nationals jailed in Iran?**

Tens of billions of dollars owed to Iran for oil and other exports are believed to have been frozen in bank accounts across the world since 2018, when then-President Donald Trump abandoned an international nuclear deal with Iran and reinstated US sanctions.

The waiver issued by the US means that certain banks in Europe, Asia and the Middle East will not face punishment for moving the \$6bn held in South Korea to Qatar's central bank.

"Allowing these funds to be transferred from restricted Iranian accounts held in the [Republic of Korea] to accounts in Qatar for humanitarian trade is necessary to facilitate the release of these US citizens," Mr Blinken said in a letter to Congress on Monday.

Last month, he stressed that Qatar had agreed to ensure the funds were used by Iran "strictly for humanitarian purposes and in a strictly controlled way". He also said Iran would not have direct access to the funds and there would be "significant oversight" from the US.

Despite such assurances, the Republican chairman of the House Foreign Affairs Committee criticised the Biden administration for moving forward with what he called "its \$6bn hostage deal".

"The Americans held by Iran are innocent hostages who must be released immediately and unconditionally," **Rep Michael McCaul said in a statement.**

"However, I remain deeply concerned that the administration's decision to waive sanctions to facilitate the transfer of \$6 billion in funds for Iran, the world's top state sponsor of terrorism, creates a direct incentive for America's adversaries to conduct future hostage-taking."

White House spokeswoman Adrienne Watson insisted that the waiver was only a "procedural step" in what remained "a sensitive and ongoing process".

Iranian foreign ministry spokesman Nasser Kanani meanwhile expressed optimism that the prisoner swap would take place "soon".

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