

Sanctions slapped on Iran's Khamenei

They will deny him and other top Iranian officials access to financial resources: U.S. President

REUTERS

WASHINGTON/RIYADH

U.S. President Donald Trump targeted Iranian Supreme Leader Ayatollah Ali Khamenei and other senior Iranian officials with new U.S. sanctions on Monday, looking for a fresh blow to Iran's economy after Tehran's downing of an unmanned American drone.

With tensions running high between the two countries, Mr. Trump signed an executive order imposing the sanctions, which U.S. Treasury Secretary Steven Mnuchin said would lock billions of dollars more in Iranian assets.

Mr. Trump told reporters that the sanctions were in part a response to last week's downing of a U.S. drone by Iran, but would have happened anyway. He said Khamenei was ultimately responsible for what Mr. Trump called "the hostile conduct of the regime" in West Asia.

"Sanctions imposed through the executive order ... will deny the Supreme Leader and the Supreme Leader's office, and those closely affiliated with him and the office, access to key financial resources and support," Mr. Trump said.

The sanctions are aimed at denying Iran's leadership access to financial resources, blocking them from using the United States financial system or having access to any assets in the United States.

"Anybody who conducts significant transactions with these sanctioned individuals may be exposed to sanctions themselves," the White House said.

Some policy analysts say that earlier sanctions issued under Mr. Trump's "maximum pressure" campaign are why Iran has felt compelled to adopt more aggressive tactics as its economy feels the crunch. The Trump administration wants to force Tehran to open talks on its nuclear and missile programmes and its activities in the region.



President Donald Trump signs an executive order, imposing new sanctions on Iran on Monday. Secretary of Treasury Steven Mnuchin, left, and Vice-President Mike Pence look on. *AFP

Tensions between the United States and Iran have grown since May when Washington ordered all countries to halt imports of Iranian oil. Iran says it will not be forced to the negotiating table.

Iranian authorities contacted by Reuters were not immediately available to comment on Mr. Trump's announcement.

Iran's headline semi-official Tasnim and Fars news agencies said the sanctions imposed on Tehran were based on "fabricated excuses."

Mr. Mnuchin said Iranian Foreign Minister Mohammad Javad Zarif would be targeted with U.S. sanctions later this week.

Sanctions were also imposed on eight senior commanders of the Navy, the Aerospace, and the Ground Forces of the Islamic Revolutionary Guards Corps (IRGC), the U.S. Treasury Department said.

"These commanders sit atop a bureaucracy that supervises the IRGC's malicious regional activities, including its provocative ballistic missile programme, harassment and sabotage of commercial vessels in international waters, and its destabilizing presence in Syria," the Department said in a statement.

Mr. Trump said the sanctions are a "strong and proportionate response to Iran's increasingly provocative actions." "We will continue to increase pressure on Tehran until the regime abandons its dangerous activities and its aspirations," he said.

Washington has blamed Tehran for attacks on tankers in the Gulf in recent weeks, which Iran denies. On Monday, the United States said it was building a

coalition with allies to protect Gulf shipping lanes.

A coalition of nations would provide both material and financial contributions to the programme, a senior U.S. State Department official said, without identifying the countries. "It's about proactive deterrence, because the Iranians just want to go out and do what they want to do and say they didn't do it. We know what they've done," the official told reporters, adding that the deterrents would include cameras, binoculars and ships.

In a joint statement on Monday, the United States, Saudi Arabia, the UAE and Britain expressed concern over West Asia tensions and the dangers posed by Iranian "destabilising activity" to peace and security in Yemen and the region.

Allies of the United States have been calling for steps to defuse the crisis.

"We are very concerned. We don't think either side wants a war, but we are very concerned that we could get into an accidental war and we are doing everything we can to ratchet things down," British Foreign Secretary Jeremy Hunt said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo met Saudi King Salman and Crown Prince Mohammed bin Salman in Jeddah. He was later due to hold talks in the United Arab Emirates, U.S. officials said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Cyberattacks failed: Tehran

REUTERS

JEDDAH

Iran said on Monday that the U.S. cyberattacks on its military had failed.

"They try hard, but have not carried out a successful attack," Mohammad Javad Azari Jahromi, Iran's Minister for Information and Communications Technology, said on Twitter. "Last year we neutralised 33 million attacks with the (national) firewall."

Meanwhile, Hesameddin Ashena, an adviser to President Hassan Rouhani, tweeted a rare suggestion that Iran could be willing to discuss new concessions, if Washington were to lift sanctions and offer new incentives.

Pompeo meets Saudi King

AGENCE FRANCE-PRESSE

JEDDAH

U.S. Secretary of State Mike Pompeo held talks on Monday with Saudi leaders ahead of new sanctions on Iran.

Mr. Pompeo met Saudi King Salman and Crown Prince Mohammed bin Salman in Jeddah. He was later due to hold talks in the United Arab Emirates, U.S. officials said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Mr. Pompeo described Saudi Arabia and the UAE as "two great allies in the challenge that Iran presents". "We'll be talking with them about how to make sure that we are all strategically aligned and how we can build out a global coalition," he said.

Pak. blacklisting absolutely a possibility: FATF president

It lacks in almost every respect of action plan, says Billingslea

SRIRAM LAKSHMAN

WASHINGTON DC

There is "absolutely a possibility" that Pakistan could be on its blacklist after the international financial watchdog's next meeting in October in Paris, the outgoing president of the Financial Action Task Force (FATF), Marshall Billingslea, said on Friday. The comments were made at a press briefing at the end of the FATF plenary held in Orlando, Florida, an audio call of which was released to the press on Monday morning.

Pakistan had "significant" work to do and was, with regard to an action plan agreed in June 2018, "lacking in almost every respect", Mr. Billingslea said.

"Pakistan was cautioned in February at the plenary that they had missed almost all of their January milestones. And they were urged to not fail to meet the milestones in May. Unfortunately, Pakistan has yet again missed its May milestones," he added.

"Now the action plan itself is set to complete in September. So this [the June 16-21 Orlando plenary] was not the plenary where we would discuss a blacklisting issue. This was the plenary where we examine how far and how far behind Pakistan is on its action plan ... and I must say they are far behind," Mr. Billingslea said.

"There is much that must be done by September. If they fail to implement the action plan by September then the FATF has made clear that we will consider

next steps."

China, Turkey, Malaysia, Indonesia, Saudi Arabia and the Gulf Cooperation Council were among those at the Orlando plenary who had asked that Pakistan be given more time to comply with the action plan, *The Hindu* had reported over the weekend.

Getting on the FATF blacklist, which currently only has Iran and North Korea on it, could severely cripple and isolate a country financially, resulting in a downgraded credit rating and denying it loans and development assistance.

Mr. Billingslea said he did not want to specify or pre-judge outcomes and that this was his last plenary as President of the FATF, but reiterated that Pakistan had much work to do if it was going to meet the action plan requirements.

Not responsive enough

In response to a question on whether Pakistan's Central bank had enough regulatory measures in place and concerns about the grey economy in the country, Mr. Billingslea said that Pakistan did not adequately appreciate the transnational terror financing risks.

"... Pakistan does not either appreciate or chooses not to acknowledge the transnational, trans-border terrorist financing risk they face.

Even though they did issue an addendum, an annex, to their national risk assessment following the February discussion. There are also a number of other structural and legal changes that have to be undertaken, including successful prosecution of terrorist financing cases," he said.

India had been pushing for Pakistan to get on the FATF blacklist for its failure to take "credible, verifiable, irreversible and sustainable measures" against terrorist activities.

Mr. Billingslea said, in response to a question on Pakistan having the capacity to meet its milestones, that if they did not currently have the capacity, they are expected to generate it, and soon, in order to meet their targets.

IMF decision

He said that any conditionality associated with Pakistan's loan from the International Monetary Fund (IMF) would not automatically have a connection to the FATF outcomes, although the IMF could choose to link the two. The U.S. has been pushing for a conditionality on an approximately \$6 billion IMF loan to Pakistan, agreed in May.

"So the IMF is an observer organisation to the Financial Action Task Force and so they have complete visibility into everything that occurs within the task force, including a very detailed understanding of what the Pakistani action plan is. The decision however, to condition fund disbursement under an IMF programme based on structural benchmarks that might be associated with the Financial Action Task Force is purely an IMF decision," he said.

Not responsive enough

In response to a question on whether Pakistan's Central bank had enough regulatory measures in place and concerns about the grey economy in the country, Mr. Billingslea said that Pakistan did not adequately appreciate the transnational terror financing risks.

"... Pakistan does not either appreciate or chooses not to acknowledge the transnational, trans-border terrorist financing risk they face.



Marshall Billingslea

Modi, Xi and Putin to have trilateral summit at G-20

The meeting is of great significance, says Chinese official

ATUL ANEJA

BEIJING

China on Monday confirmed that Prime Minister Narendra Modi, Chinese President Xi Jinping and his Russian counterpart Vladimir Putin will hold their second trilateral summit in Osaka, Japan, during the G-20 summit later this week.

During a media briefing on the two-day G-20 summit that begins on June 28, Assistant Minister of Foreign Affairs Zhang Jun said the meeting of the three leaders, who had recently met at Bishkek at the Shanghai Cooperation Organisation summit, was of "great significance". He also signalled that the top-level trilateral mechanism of Russia, India

and China (RIC) had now become institutionalised.

"Indeed, during the Osaka summit, the leaders of China, Russia and India will have a trilateral meeting. The mechanism of the trilateral meeting has maintained a sound momentum of development," Mr. Zhang said.

"Last year, during the Buenos Aires G-20 summit, the leaders had a meeting. And this time, given the current international landscape, the meeting of the three leaders is also of great significance," he said, responding to a question.

The trio will meet again in September in Vladivostok for the Eastern Economic Forum, where Mr. Modi will be the chief guest.

nised the repercussions of unilateralism, protectionism and bullying practices".

China's Vice-Minister of Commerce Wang Shouwen, who also briefed the media, asserted, in reference to Washington, that "some individual country has been insisting on unilateralism, protectionism, abusing trade remedial measures (and) national security exceptionality. That country has slapped tariffs on its trading partners, causing major threat to global trade, investment and economic growth".

The trio will meet again in September in Vladivostok for the Eastern Economic Forum, where Mr. Modi will be the chief guest.

Fatal fall



Onlookers gather around a train that careened off a railway bridge at Kulaura in Moulvibazar district of Bangladesh late on Sunday. Five people were killed and more than 100 injured after two coaches fell into the canal, and three more toppled next to the track. *REUTERS

Palestinians reject U.S.-Bahrain peace plan

Say it is mum on Israeli occupation

AGENCE FRANCE-PRESSE

MANAMA

The Palestinians on Monday vowed to reject a U.S.-led peace initiative to be presented in Bahrain that dangles the prospect of \$50 billion as an Israeli envoy bluntly told them they should "surrender".

Finance chiefs from the U.S., oil-rich Arab states and international development institutions were flying to the tiny kingdom, which in a rarity is openly welcoming Israelis, who have forged an indirect alliance with Gulf rulers due to mutual hostility with Iran.

Led by President Donald Trump's son-in-law and adviser Jared Kushner, the Peace to Prosperity economic workshop that begins Tuesday evening is billed as

the start of a new approach that will later include political solutions to the long intractable West Asian conflict.

It proposes raising more than \$50 billion in fresh investment for the Palestinians and their Arab neighbours with major projects to boost infrastructure, education, tourism and cross-border trade.

The Palestinian Authority is boycotting the workshop, denouncing the plan for saying nothing about ending the Israeli occupation. President Mahmud Abbas has said the Palestinians "will not be slaves or servants" of Mr. Kushner or other Trump aides. "For America to turn the whole cause from a political issue into an economic one, we cannot accept this."

Led by President Donald Trump's son-in-law and adviser Jared Kushner, the Peace to Prosperity economic workshop that begins Tuesday evening is billed as

Erdogan weakened by party's loss in Istanbul election

Opposition candidate Ekrem Imamoglu won the mayoral re-poll with 54% of the vote against the ruling AKP's 45%

CARLOTTA GALL

ISTANBUL

President Recep Tayyip Erdogan of Turkey was confronting recriminations within his governing party and the wider circle of his supporters on Monday as the scale of the defeat of his candidate in the Istanbul mayoral race became clear.

The Opposition candidate, Ekrem Imamoglu, emerged as the landslide winner of the mayoral election redo against Mr. Erdogan's candidate, Binali Yildirim, according to preliminary results announced on Monday by Sadi Guven, the head of the High Election Council, confirming a significant defeat for the governing party.

Mr. Erdogan will now have his hands full in containing the fallout from the electoral defeat, the biggest of his political career, which came after his disastrous decision to

push for a rerun of the mayoral election following Mr. Imamoglu's victory in the first vote, in March.

The loss was a stinging one for Mr. Erdogan. Istanbul is his hometown, and his Justice and Development Party (AKP) has dominated the city for 25 years, but anger over his decision to pursue a new vote and frustration over a weakening economy took their toll, even as he has sought to crack down on the opposition.

Bigger margin

"Earthquake at the ballot box," ran the front-page headline of *Karar* newspaper, which was founded by three years ago by journalists who had once been close to the AKP government.

In the election, held Sunday, Mr. Imamoglu won with 54% of the vote, compared with 45% for his opponent,



United we stand: Ekrem Imamoglu celebrating with thousands of supporters in Istanbul on Sunday. *AFP

Mr. Guven said. The margin of victory for Mr. Imamoglu was larger than in the March election - he won by more than 8,00,000 votes, compared with a slim, 13,000-vote victory in the first ballot - as was turnout, up 1 percentage point, at 84%.

The official results will be

announced after a period for any complaints to be submitted and examined, but for now, the margin of victory was taken by commentators and politicians on all sides as a sign of voter outrage at the second vote.

"Slap of the people," *Evrensel*, a leftist newspaper

that is frequently critical of Mr. Erdogan, announced on its front page. "Istanbul made its choice," ran the headlines in three main pro-government newspapers.

Complaints had already been building within Mr. Erdogan's party after its loss in the March election and the subsequent cancellation of that vote.

The largest challenge for Mr. Erdogan is a movement led by a former AKP president, Abdullah Gul, and a former Finance Minister, Ali Babacan, to form a breakaway party. Both men support many of the ideals of the AKP, notably conservative pro-market policies with social support for the party's lower-income political base.

Mr. Erdogan is likely to seek some changes, in part to weaken any challenge from the breakaway group, but that could destabilise his al-

liance with Devlet Bahceli and the Nationalist Movement Party, which he has relied on to secure the presidency and a majority in Parliament.

High stakes

The Istanbul Mayor's race may seem relatively unimportant in the context of a national leader, but the stakes - and the risks - for Mr. Erdogan going forward are high, because his party has relied on financing from supporters in the business world and companies that have benefited from municipal contracts.

Now, not only has Mr. Erdogan lost access to that source, but Mr. Imamoglu will have access to records that seem likely to detail potentially embarrassing cronyism and wasteful spending that have benefited the president's supporters. NYTIMES

Sri Lanka official faces charges

AGENCE FRANCE-PRESSE

COLOMBO

Sri Lanka's most senior defence official on Monday became the latest government figure to face possible criminal charges over "major lapses" linked to the Easter Sunday bombings that killed 258 people and injured more than 500.

Hemasiri Fernando, who was Defence Secretary before the April 21 bombing of three churches and three hotels in the island nation, should be investigated for his failure to prevent or minimise the attacks, Attorney General Dappula de Livera said.

The Attorney General said in a letter to Sri Lanka's acting police chief that a presidential commission of inquiry had found "major lapses" by Mr. Fernando, who has since resigned from his top job.

IN BRIEF



Two pulled alive from Cambodia building rubble

Two men were pulled alive from the rubble of a collapsed Cambodian building on Monday, more than two days after a construction site accident that left at least 28 dead. The seven-storey Chinese-owned building folded in on itself before dawn on Saturday. AFP

Pakistan receives \$3 billion from Qatar

Cash-strapped Pakistan on Monday secured a bailout package of USD 3 billion from Qatar, a day after Emir Sheikh Tamim bin Hamad concluded his visit to Islamabad and agreed to cooperate in the fields of trade, anti-money laundering and curbing terror financing. PTI