

A Better Plan for Sanctioning Iranian Airlines

by [Babak Taghvaei \(/experts/babak-taghvaei\)](/experts/babak-taghvaei)
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ABOUT THE AUTHORS

[Babak Taghvaei \(/experts/babak-taghvaei\)](/experts/babak-taghvaei)
Babak Taghvaei is a European-based journalist covering Iranian aviation and defense issues.



Targeting Iran Air’s flights to Europe would help, but the regime’s illicit activities on the continent may simply be taken over by the IRGC-linked carrier Mahan Air unless further designations are issued.

Amid a [raft of new sanctions \(https://www.washingtoninstitute.org/policy-analysis/coordinated-iran-sanctions-require-coordinated-enforcement\)](https://www.washingtoninstitute.org/policy-analysis/coordinated-iran-sanctions-require-coordinated-enforcement) stemming from Iran’s attack on Israel, the United States and its European allies also recently warned that further sanctions may be forthcoming if Tehran transfers ballistic missiles to Russia for use against Ukraine. These additional sanctions [reportedly include \(https://www.reuters.com/world/iran-air-could-be-banned-europe-if-tehran-sends-missiles-russia-us-warns-2024-03-15/\)](https://www.reuters.com/world/iran-air-could-be-banned-europe-if-tehran-sends-missiles-russia-us-warns-2024-03-15/) a potential ban on European flights by Iran Air, the Islamic Republic’s flag carrier.

As of this month, five of Iran Air’s wide-body passenger planes still operate scheduled flights between Tehran and Cologne, Frankfurt, Hamburg, Istanbul, London, Milan, Paris, Rome, and Vienna. Despite the limited economic significance of these routes, maintaining them still matters to the regime politically (as a counterweight to its growing international isolation) and tactically (as a vehicle for transporting terrorists, other agents, and illicit items to and from the continent). Yet shuttering these routes will have little practical effect if another key Iranian carrier—Mahan Air—is permitted to expand its own access to Europe via a shadowy network of front companies and other methods.



(/sites/default/files/2024-04/iran-air-flights-europe-POL3860-map.jpg)

Iran Air Down, Mahan Up

Over the past few years, financial difficulties have reduced Iran Air's fleet of usable aircraft to just nineteen—a result of both internal mismanagement and previous sanctions. The United States delisted the ailing airline when the Joint Comprehensive Plan of Action (JCPOA) was in effect between 2016 and 2018. Yet company officials were unable to secure financing and delivery of new planes to replace its retiring fleet by late 2018, when sanctions went back into force after Washington withdrew from the nuclear deal (see next section). As a result, Iran Air operates on the fringes of profitability

(<https://nournews.ir/fa/news/156427/%D9%86%D8%A7%D9%85%D8%B9%D8%A7%D8%AF%D9%84%D9%87-%D8%A8%D9%87-%D8%B3%D8%A8%DA%A9-%D8%A7%DB%8C%D8%B1%D8%A7%D9%86-%D8%A7%DB%8C%D8%B1%D8%9B-6400-%D9%85%DB%8C%D9%84%DB%8C%D8%A7%D8%B1%D8%AF-%D8%AA%D9%88%D9%85%D8%A7%D9%86-%D8%AF%D8%B1%D8%A2%D9%85%D8%AF%D8%8C-1663-%D9%85%DB%8C%D9%84%DB%8C%D8%A7%D8%B1%D8%AF-%D8%AA%D9%88%D9%85%D8%A7%D9%86-%D8%B3%D9%88%D8%AF-%D9%86%D8%A7%D8%AE%D8%A7%D9%84%D8%B5%D8%8C-470-%D9%85%DB%8C%D9%84%DB%8C%D8%A7%D8%B1%D8%AF-%D8%AA%D9%88%D9%85%D8%A7%D9%86-%D8%B2%DB%8C%D8%A7%D9%86>) today.

Meanwhile, Mahan Air—which serves as the de facto airline (<https://www.washingtoninstitute.org/policy-analysis/iran-may-be-outsourcing-kamikaze-drone-production-venezuela>) of Iran's Islamic Revolutionary Guard Corps (IRGC)—has significantly expanded its operations by procuring numerous wide-body aircraft illicitly, enabling it to replace Iran Air as the country's largest carrier. Over the past three years in particular, Mahan has taken over many domestic and Asian routes previously operated by Iran Air.

Mahan also recently established a cluster of shadowy subsidiary airlines and service companies in African and Asian countries such as Burkina Faso, Gambia, Indonesia, and Mali. (For a list of such entities, see table 1; note that the names of entities in Burkina Faso and Mali are unknown and therefore not included in the table, though the existence of Mahan front entities in these countries is confirmed by the company's use of sham aircraft registration codes from these jurisdictions.) With financial support from the IRGC and other regime organs, Mahan aims to expand its activities in Europe using these subsidiaries as well as codeshare agreements with other airlines .

Table 1. Mahan Air Front Companies Used to Circumvent Sanctions

Company	Country of Ownership	Status	Ties to Mahan	Roles	Sanctions Status
3G Lojistik and RA Havacilik	Turkey	Inactive	Contracted	Financial/material support	Sanctioned 5/24/2018
Aero Sky Aircraft Maintenance	United States	Inactive	Contracted	Spare parts buyer	Sanctioned 12/12/2019
Air Manas	Kyrgyzstan	Active	Contracted	Aircraft buyer	Not sanctioned
Aircraft Avionics Paris and Support Ltd.	Britain	Inactive	Contracted	Spare parts buyer	Sanctioned 3/24/2016
Al-Naser Airlines	Iraq	Inactive	Contracted	Aircraft buyer	Sanctioned 5/21/2015
Armenia Airways Aircompany	Armenia	Inactive	Contracted	Aircraft buyer	Not sanctioned
Asia Sky Lines	Tajikistan	Inactive	Contracted	Aircraft buyer	Not sanctioned
Avia Trust FZE	UAE	Inactive	Contracted	Spare parts buyer	Sanctioned 2/6/2014
Aviation Capital Solutions Ltd.	Britain	Inactive	Contracted	Spare parts buyer	Sanctioned 3/24/2016
Avro Global Ltd.	China	Active	Contracted	Aircraft buyer	Not sanctioned
Blue Airway	Iran	Inactive	Owned	Material support	Sanctioned 5/24/2018
Blue Sky Airlines	Armenia	Inactive	Contracted	Aircraft buyer	Not sanctioned
Bukovyna AE	Ukraine	Inactive	Contracted	Aircraft buyer	Sanctioned 5/31/2013
Flight Travel LLC	Armenia	Inactive	Contracted	General sales agent	Sanctioned 1/24/2019
Gatewick LLC	UAE	Inactive	Contracted	General sales agent	Sanctioned 12/11/2019
Gomei Air Services Co. Ltd.	China	Inactive	Contracted	General sales agent	Sanctioned 12/11/2019
Grandeur General Trading FZE	UAE	Inactive	Contracted	Spare parts buyer	Sanctioned 3/24/2016
HSI Trading FZE	UAE	Inactive	Contracted	Spare parts buyer	Sanctioned 3/24/2016
Ilam Air	Iran	Active	Owned	Aircraft operator	Not sanctioned
Jahan Destination Travel and Tourism LLC	UAE	Inactive	Contracted	General sales agent	Sanctioned 12/11/2019
Jey Air	Iran	Inactive	Owned	Aircraft operator	Not sanctioned
JSC Bek Air	Kazakhstan	Active	Contracted	Aircraft buyer	Not sanctioned
Kyrgyz TransAvia	Kyrgyzstan	Active	Contracted	Aircraft buyer	Sanctioned 5/31/2013
Macka Invest	Gambia	Active	Contracted	Aircraft buyer	Not sanctioned
Mahan Travel and Tourism SDN BHD	Malaysia	Inactive	Owned	General sales agent	Sanctioned 7/9/2018
My Aviation Company Ltd.	Thailand	Inactive	Contracted	General sales agent	Sanctioned 9/14/2018
Nilin Aviation & Engineering	Turkey	Active	Contracted	Spare parts buyer	Not sanctioned
Otik Aviation	Turkey	Inactive	Contracted	Material support	Sanctioned 5/24/2018
Palm Aviation	UAE	Unknown	Contracted	Aircraft buyer	Not sanctioned
Parthia Cargo and Delta Parts Supply FZC	UAE	Inactive	Contracted	Material support	Sanctioned 8/19/2020
PT Akasa Aero Mandiri	Indonesia	Active	Contracted	Aircraft buyer	Not sanctioned
PT Asia Global	Indonesia	Active	Contracted	Aircraft buyer	Not sanctioned
Qeshm Fars Air	Iran	Active	Owned	Aircraft operator	Sanctioned 1/24/2019
RA Havacilik	Turkey	Inactive	Contracted	Financial/material support	Sanctioned 5/24/2018
Shanghai Saint Logistics Ltd.	China	Inactive	Contracted	General sales agent	Sanctioned 5/19/2020
Sirjanco Trading LLC	UAE	Inactive	Owned	Aircraft buyer	Sanctioned 5/31/2013
Sky Blue Bird Aviation (Airlines)	UAE	Inactive	Contracted	Aircraft buyer	Sanctioned 5/21/2015
Tehran Air	Iran	Inactive	Owned	Aircraft buyer	Not sanctioned
TezJet	Kyrgyzstan	Active	Contracted	Aircraft buyer	Not sanctioned
Toos Airlines	Iran	Active	Owned	Aircraft operator	Not sanctioned
Trigron Lojistik	Turkey	Inactive	Contracted	Spare parts buyer	Sanctioned 5/24/2018
UM Air	Ukraine	Inactive	Contracted	Aircraft buyer	Sanctioned 5/31/2013
Vertir Airlines	Armenia	Inactive	Contracted	Aircraft buyer	Not sanctioned
Yazd Airways	Iran	Active	Owned	Aircraft operator, spare parts buyer	Not sanctioned

Highlighted entries are Mahan's newest affiliates.
Source: Press releases from the U.S. Treasury Department and Office of Foreign Assets Control.

Iran’s European Flights: Sanctions and Loopholes

On November 5, 2018, the U.S. government reimposed **full sanctions** (<https://home.treasury.gov/news/press-releases/sm541>) on the Iranian regime as part of an unprecedented economic pressure campaign. Many of these sanctions remain in place today and have made it difficult for Iran Air to buy fuel and other services overseas, while mismanagement and lack of financing prevented it from adding newer jets to its fleet. As a result, the company now has only five wide-body aircraft with sufficient fuel capacity and technical upkeep to conduct flights to Europe.

Table 2. Iran Air Wide-Body Fleet as of April 2024

Aircraft	Registration	Year	Capacity	Status	Notes
Airbus A330-300	EP-001	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-002	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-003	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-004	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-005	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-006	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-007	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-008	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-009	2008	330	Active	Seized by U.S. Customs
Airbus A330-300	EP-010	2008	330	Active	Seized by U.S. Customs

fleet-

As this problem worsened over the years, the regime began giving Mahan the opportunity to acquire secondhand A340 wide-body aircraft and establish European routes as early as 2012, using a variety of illicit methods to circumvent U.S. sanctions placed on the airline in 2011. The JCPOA temporarily suspended these sanctions, but once they came back into force in 2018, Washington pressed its allies in France, Germany, Italy, and Spain to ban Mahan flights in 2019, once again making Iran Air the only Iranian carrier permitted to operate within European airspace.

Today, most Iranian travelers to Europe and beyond rely on foreign carriers, especially Turkish Airlines, Qatar Airways, and, to a lesser extent, Emirates. If the European Union decides to sanction Iran Air, these and other airlines would likely begin transporting passengers from Iran to Europe under codeshare agreements with Tehran. Iranian authorities have even studied the possibility

(<https://www.isna.ir/news/1402112417482/%D8%AF%D9%88%D9%84%D8%AA-%D9%88%D8%B1%D9%88%D8%AF-%D8%A7%DB%8C%D8%B1%D9%84%D8%A7%DB%8C%D9%86-%D8%AE%D8%A7%D8%B1%D8%AC%DB%8C-%D8%A8%D9%87-%D9%BE%D8%B1%D9%88%D8%A7%D8%B2%D9%87%D8%A7%DB%8C-%D8%AF%D8%A7%D8%AE%D9%84%DB%8C-%D8%B1%D8%A7-%D9%BE%DB%8C%DA%AF%DB%8C%D8%B1%DB%8C-%D9%85%DB%8C-%DA%A9%D9%86%D8%AF>) of contracting foreign airlines to undertake domestic flights inside Iran in case a significant portion of its fleet goes out of service.

In the meantime, Mahan Air has been working steadily to circumvent European sanctions and restrictions since 2019. For example, it established subsidiaries such as Yazd Airways to undertake European flights in the near future. It has also leased its Airbus A300-600 and A310-300 wide-body aircraft to Iran Airtour, a “privately owned” Iranian company that obtained its third-country operators authorization from the European Union Aviation Safety Agency (EASA) in December 2021. Iran Airtour was placed on the U.S. Treasury Department’s Specially Designated Nationals list between 2011 (<https://www.washingtoninstitute.org/policy-analysis/treasury-increases-pressure-iranian-airlines>) and 2016 (https://ofac.treasury.gov/recent-actions/updated_names) for providing support to terrorists, but it has not been put back on that list despite the reinstatement of relevant U.S. sanctions in 2018.

Conclusion

For the past two years, several new Mahan Air subsidiaries have managed to remain below the Treasury Department’s radar, enabling them to expand their operations rapidly and receive more aircraft from their parent company. Because Mahan now aspires to resume European operations in full, the airline and its affiliates should be targeted in any new sanctions and flight bans. Although a European ban on Iran Air would represent a positive collective response if Tehran transfers ballistic missiles to Russia, it would not do anything to curtail Mahan’s illicit activities, which include transferring arms, mercenaries, and IRGC personnel across the region and around the world.

In fact, sanctioning just Iran Air would likely encourage the IRGC and Mahan to double down on using offshoot airlines and codeshare agreements to expand their operations in Europe. The EU and its allies should therefore sanction Mahan as well, while simultaneously persuading international airlines that have close ties with Iran to shy away from any lucrative propositions Tehran might make regarding domestic market shares or other codeshare arrangements.

Notably, the goal of such measures is not to pressure Iran’s travel and tourism sectors, since the regime reaps miniscule economic revenue from Iran Air and is ideologically indifferent to how such pressure affects the citizenry. Rather, the main goal is to curtail Mahan Air’s strategic role as a worldwide logistical workhouse and gap-filler for

the regime. To reach that goal, new rounds of sanctions should focus on the following targets:

- Mahan Air
- Mahan subsidiaries (see table 1 for examples)
- All Mahan aircraft, including those leased to other Iranian and foreign airlines
- IRGC and Iranian government officials who benefit from the activities of Mahan and its subsidiaries.

By taking this broader approach, the EU and its allies can prevent Tehran from turning sanctions against Iran Air into an opportunity to further obfuscate its network of illicit activities and affiliates inside Europe .

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