UNITED AGAINST NUCLEAR IRAN **Ambassador Mark D. Wallace | CEO | AmbWallace@uani.com | 212.922.0063**

October 2, 2026

Minister of Foreign Affairs in Malaysia
Mohamad Hasan
Ministry of Foreign Affairs
No. 1 Jalan Wisma Putra
Precinct 2
62602 Putrajaya
Malaysia
Via email: pro.ukk@kln.gov.my

Re: Malaysian Enabling of Iran's Sanctions-Evading Ghost Armada

Dear Mr. Foreign Minister:

On behalf of United Against Nuclear Iran ("UANI")[1], I am writing to formally bring to your urgent attention Malaysia's ongoing and decisive role in enabling the Islamic Republic of Iran's illicit energy trade. UANI urges your ministry and the Government of Malaysia to direct and take immediate, concrete steps to revoke all support services, anchoring permits, and maritime access granted to the Iranian-linked "ghost fleet" operating within Malaysia's Exclusive Economic Zone ("EEZ") in the Eastern Outer Port Limits ("EOPL") anchorage.

Through satellite imagery and Automatic Identification System (AIS) tracking, UANI has documented a floating network of over 200 tankers and cargo ships operating approximately 70 kilometers offshore from the Malaysian coastline. These vessels—many engaged in deceptive practices including AIS spoofing, flag-hopping, name-concealment, and dark ship-to-ship ("STS") transfers—serve as a critical financial lifeline for the Iranian regime and its state sponsorship of terrorism.

During a recent on-the-water maritime investigation conducted by UANI's tanker tracking team, we observed firsthand that this illicit fleet remains operational in the EOPL primarily due to direct logistical, operational, and refueling support provided by foreign and Malaysian-flagged and Malaysian-operated supply vessels. Dozens of Malaysian bunkering vessels and support craft were in close proximity to these ghost-fleet tankers operating in the EOPL, with many of the small bunker tankers coming and going from the Pengerang Integrated Petroleum Complex ("PIPC"). This trip has already received major coverage in an article published by the *Wall Street Journal*, focusing on Malaysia's involvement in Iran's oil trade:[2]

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[1] UANI is a leading not-for-profit, non-partisan, advocacy organization whose mission is to promote the cessation of economic and financial support of the Islamic Republic of Iran by corporations and business until the Iranian regime verifiably abandons its drive for nuclear weapons and support for terrorism and human rights violations. (http://www.unitedagainstnucleariran.com).

[2] Wall Street Journal, "*Malaysia Is a Lifeline for Iran*," September 24, 2026; See Appendix for image.

Iran's floating city may be the regime's lifeblood, but the Iran-linked ships can't function without local Malaysian support vessels keeping them operational. United Against Nuclear Iran's crew approached and identified dozens of small fuelers, nearly all which were Malaysian, ready to supply Iran's ships. These vessels were anchored and at times rafted together waiting for mother ships to come and be refilled around the Pengerang Integrated Petroleum Complex on the Malaysian side of the Singapore Strait.

While Malaysia actively enforces maritime sovereignty against unauthorized fishing and unauthorized commercial activities in its EEZ, the permissive stance toward substandard ships evading Iranian sanctions constitutes an alarming double standard. UANI has been tracking and documenting Malaysia's enabling of the illicit Iranian oil trade since July 2019.[3] In the following years, UANI's Tanker Tracker Program has documented hundreds of illicit ship-to-ship (STS) transfers in the EOPL—where dark-fleet tankers routinely blend and disguise Iranian crude as "Malaysian blend" before export to foreign markets.[4]

Malaysia has publicly taken action against one case of illicit Iranian-linked STS activity near Penang in January 2026, but not yet against any of the many hundreds of illicit vessels operating in the EOPL. The recent updates in the Malaysian EEZ Act of 2026 have provided the legal basis for enforcement but must be operationalized. Beyond violating international sanctions compliance expectations, allowing a large fleet of aged, uninspected, and deceptively operated vessels to congregate in sensitive waters poses severe navigational, safety, and environmental hazards to coastal communities and legitimate international shipping in the South China Sea and approaches to the Singapore Strait.

Reports published on September 15 confirmed that Malaysian authorities recently seized four containers bound for Israel at the Port of Tanjung Pelepas—including a container detained on August 7 and three additional containers detained on August 19, reportedly containing commercial electric bicycle parts.[5] Malaysian leadership explicitly praised these seizures as a demonstration of non-cooperation with Israel. Malaysia's approach to maritime enforcement reveals a troubling, politicized double standard. While your government aggressively inspects and seizes transit goods to demonstrate political positions, it overlooks the illicit activities of hundreds of ageing ghost fleet tankers in the EOPL anchorage.

Given these grave risks to regional stability and international security, UANI submits the following formal questions for your ministry and the Malaysian Government to address:

1. What specific enforcement actions, inspections, or interdictions, if any, has the Malaysian

[3] UANI, "*Is Malaysia helping Iran skirt oil sanctions?*" July 24, 2019.
[4] UANI, "*September 2023 Iran Tanker Tracker*," October 2, 2023.
[5] The Straits Times, "*Malaysia said to have seized another three containers bound for Israel*," August 15, 2020.

Government taken against the hundreds of dark-fleet vessels and unflagged tankers operating within the EOPL?

2. How do Malaysian maritime and intelligence authorities ensure that uninspected cargo, cargo transfers, and shadow-fleet bulk carriers operating in these anchorages do not conceal dual-use components, missile hardware, or weapon-of-mass-destruction (WMD) proliferation materials intended for Iran or its proxy networks?

3. Why has the legal framework under the updated Malaysian EEZ Act of 2026 not been deployed to systematically deny maritime access, bunkering licenses, and anchorage to dark-fleet vessels operating with disabled or manipulated AIS transponders and false flags?

We strongly urge the Ministry of Foreign Affairs to take the following immediate actions:

1. Instruct Maritime and Port Authorities: Issue immediate directives to the relevant ministries and the Malaysian Maritime Enforcement Agency ("MMEA") and Malaysia Marine Department to stop and interdict all refueling, provisioning, and lightering operations aiding Iranian-linked ships in Malaysia's EEZ and EOPL.

2. Re-establish Sanctions Enforcement: Honor international maritime safety standards, including IMO Assembly Resolution 1192 (33), and align domestic enforcement with international sanctions compliance measures aimed at curtailing dark fleet and substandard illicit shipping activity, including those that support Iran's illegal oil exports.

3. Inspect Non-Compliant Vessels: Detain or deny entry to non-compliant vessels utilizing deceptive maritime practices within Malaysian waters.

UANI continues to comprehensively document every vessel, support entity, and government authority involved in facilitating Iran's illicit trade. We have submitted these findings to international regulatory bodies and the U.S. Department of the Treasury to advocate for targeted secondary sanctions against facilitating companies, port complexes, and government authorities.

We welcome an immediate dialogue with your office to discuss steps Malaysia can take to restore full transparency to its territorial waters and deny Iran a safe harbor. We look forward to hearing your response within five (5) days of receipt of this letter.

Yours faithfully,



Ambassador Mark D. Wallace

CC:

U.S. Secretary of the Treasury Scott Bessent

U.S. Secretary of State Marco Rubio

U.S. Secretary of Commerce Howard Lutnick

Chargé d'Affaires of the U.S. Embassy in Malaysia David Gamble

Chairman of U.S. Senate Committee on Foreign Relations Senator Jim Risch

Chairman of U.S. House Committee on Foreign Affairs Rep. Brian Mast

Chairman of the U.S. House Committee on Financial Services Rep. French Hill

Chairman of the U.S. Senate Committee on Commerce, Science, and Transportation Senator Ted Cruz

Chairman of the U.S. House Committee on Energy and Commerce Rep. Brett Guthrie

Chairman of the U.S. Senate Committee on Banking, Housing, and Urban Affairs Senator Tim Scott

Ranking Member of the U.S. Senate Committee on Foreign Relations Senator Jeanne Shaheen

Ranking Member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs Senator Elizabeth Warren

Ranking Member of the U.S. House Committee on Foreign Affairs Rep. Gregory Meeks

Ranking Member of the U.S. House Committee on Financial Services Rep. Maxine Waters

Ranking Member of the U.S. Senate Committee on Commerce, Science, and Transportation Senator Maria Cantwell

Ranking Member of the U.S. House Committee on Energy and Commerce Rep. Frank Pallone Jr

UANI is a not-for-profit, bi-partisan, advocacy group that seeks to prevent Iran from fulfilling its ambition to obtain nuclear weapons. UANI was founded in 2008 by Ambassador Mark D. Wallace, the late Ambassador Richard Holbrooke, and Middle East expert Dennis Ross. UANI's private sanctions campaigns and state and federal legislative initiatives focus on ending the economic and financial support of the Iranian regime by corporations until Iran verifiably abandons its drive for nuclear weapons, support for terrorism and gross human rights violations. Governor Jeb Bush is UANI's Chairman. UANI's Advisory Board consists of distinguished leaders in government, academia and business. See www.unitedagainstnucleariran.com/about/leadership.

I. IRAN BUSINESS RISKS

Any desire from foreign firms to engage in Iran business is short-sighted, ill-advised, and fraught with risk to its shareholders, employees, agents, and contractors. The risks inherent in doing business in Iran are serious and fall into at least ten distinct categories:

Revocation of the JCPOA, Reimposition of U.S. Secondary Sanctions and UN "Snapback Sanctions". On May 8, 2018, the United States Administration announced it would withdraw from the JCPOA, and secondary sanctions were reimposed which affect companies even outside U.S. jurisdiction with respect to every major industry in Iran. In October 2025, the E-3 signatories to the JCPOA, France, Germany, and the United Kingdom have formally aligned with U.S. policy by reimposing UN "snapback"

sanctions and restoring multilateral enforcement across all major sectors of Iran's economy. In 2026, the U.S. government launched Operation Economic Outcast to isolate the Iranian regime.

Impairment of Corporate Reputation. A company that seeks opportunities in a country notorious for sponsoring terrorism and violating fundamental human rights, including state sponsored torture and killing of its own citizens, like Mahsa Amini in late 2022, will inevitably corrode its reputation with consumers, trading partners, and the general public, as recent polling strongly indicates.

Banking Risk. U.S. and European banks are unwilling, largely as a result of Iran's own actions, to finance new business ventures in Iran. Along with the serious money laundering issues in Iran, banking-related Iran risks continue to be severe, as strong penalties remain for those institutions that directly or indirectly facilitate prohibited transactions. Iran remains on the Financial Action Task Force (FATF) blacklist.

Doing Business with the Islamic Revolutionary Guard Corps. Doing business in Iran means doing business with the IRGC. It is flatly illegal for American and international companies to do business with the IRGC, but corporate compliance officers and country managers will be unable to discern if their companies are doing business with a reputable Iranian company or one that is secretly operated, managed, and even owned by the IRGC.

Economic Sanctions. Significant economic sanctions remain in effect, including under UN, U.S., EU, and UK authorities, which bar companies and their affiliates from doing business in multiple sectors of Iran's economy.

Unavailability and Deficiency of Insurance Coverage. Companies will find that their business operations and assets in Iran are either uninsurable or subject to inadequate coverage and/or extraordinary insurance premiums because of the highly unstable and risk-laden political, legal, and business environment. Germany no longer allows export credit insurance from 2023.

Impairment of Shareholder Value. Influential shareholders and the investing public will not look charitably upon any company whose drive for short term profits in Iran will inexorably finance that regime's policies of sponsoring terrorism, nuclear proliferation, subjugation of women, violent repression of LGBT individuals, and the arbitrary incarceration and execution of its citizens. It is difficult to see how share value will not suffer.

Impairment of Future Business Opportunities. A company that shortsightedly embraces business opportunities in Iran will likely be cut off from more lucrative business opportunities in countries that oppose Iran's hegemonic policies, especially among Gulf Arab states. Even worse, companies may be barred altogether from doing any business within the borders of these neighboring countries because they will be viewed as providing financial support to a lawless regime that is antithetical to their very existence.

Arrest, Imprisonment, Kidnapping, Torture, and Execution. A company that does business in Iran exposes its officers, employees, and contractors to a high risk of harassment, arrest, prosecution, and incarceration without due process of law, without the right to legal counsel, and without an effective and independent judicial system to protect basic legal rights. Even individuals with dual citizenship, such as British-Iranian Alireza Akbari, executed by the regime in January 2023, are not safe from the regime's clutches.

Hacking, Cyber Insecurity, and IP theft. Doing business in Iran will inevitably lead to the hacking and theft by Iranian operatives and security agents of a company's proprietary information, trade secrets, confidential employee and corporate information, personal information, and customer information. Moreover, Iranian firms systematically use the slightest association with foreign firms as a pretext to continue advertising purported partnerships, and misappropriate corporate trademarks often many years after ties may have been excised.

II. **APPENDIX**

WSJ | OPINION

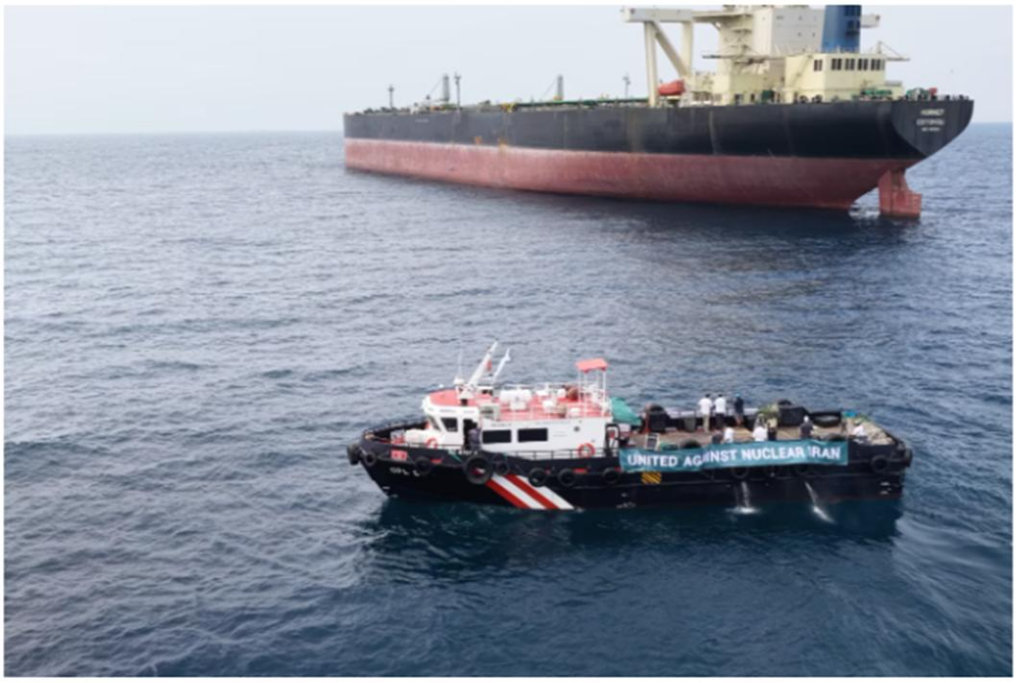
OPINION COMMENTARY Follow

Malaysia Is a Lifeline for Iran

The Pacific nation's vessels and facilities sustain a fleet of sanctions-evading ships in the South China Sea.

By Jeb Bush and Mark D. Wallace
Sept. 24, 2026 5:54 pm ET

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United Against Nuclear Iran's tanker tracking team approaches the U.S. sanctioned crude oil tanker HORNET in the Malaysian Exclusive Economic Zone, Sept. 16. UNITED AGAINST NUCLEAR IRAN

Wall Street Journal's Coverage of UANI's trip to the EOPL anchorage on September 16