

Office of Foreign Assets Control

Complying with U.S. Export Controls

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The information in these slides is for training purposes and does not have the force of law.

Outline

- OFAC Overview and OCE
- OFAC Jurisdiction and 50% Rule
- Licenses and Exemptions
- Compliance Considerations
- OFAC Sanctions Update
- OFAC Resources and Contact



Office of Compliance & Enforcement (OC&E)



OC&E conducts civil investigations of apparent violations of U.S. economic sanctions laws



Engages in domestic and international outreach to increase awareness of, and promote compliance with, OFAC-administered sanctions



Investigates apparent violations of OFAC-administered sanctions



OFAC Jurisdiction and 50% Rule



OFAC Jurisdiction



Individuals

- U.S. citizens and permanent resident aliens anywhere in the world
- Individuals, regardless of citizenship, physically located in the United States



Entities

- Organized under the laws of the United States (including foreign branches)
- Physically located in the United States



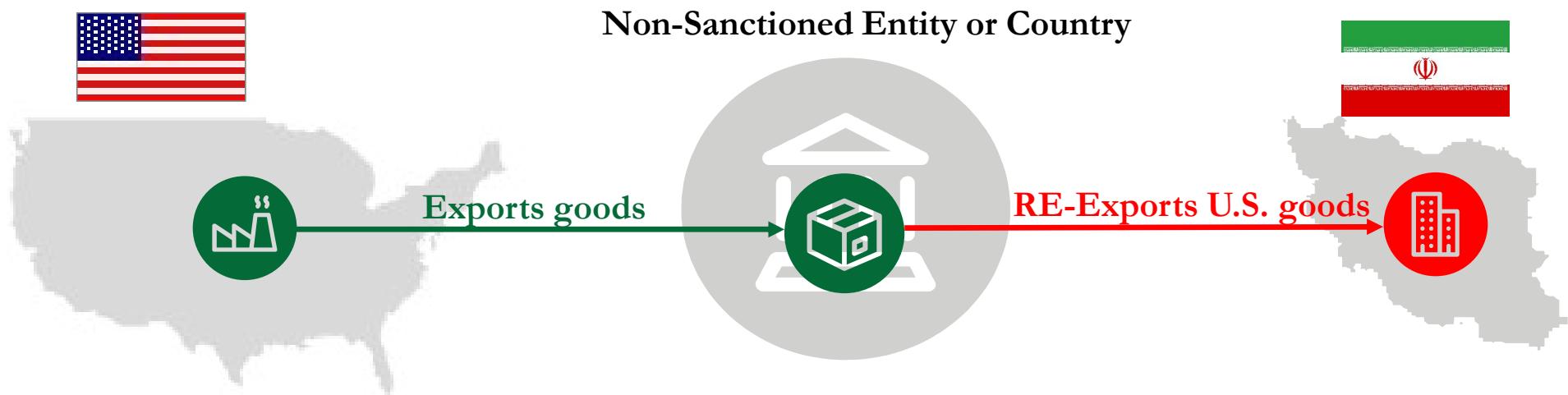
Transactions

- Transactions by foreign persons to the extent that they involve the United States, or otherwise have a nexus to the United States
- In some circumstances, transactions involving U.S.-origin goods or technology

OFAC Jurisdiction

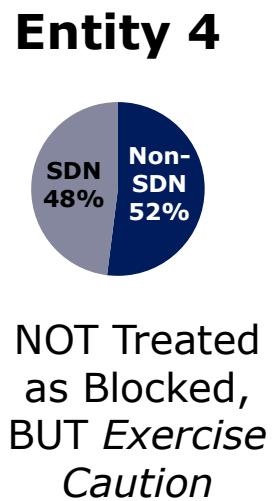
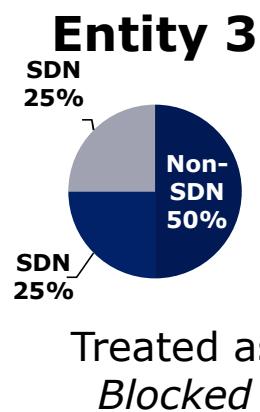
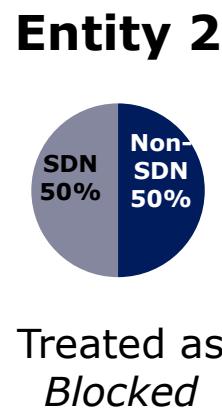
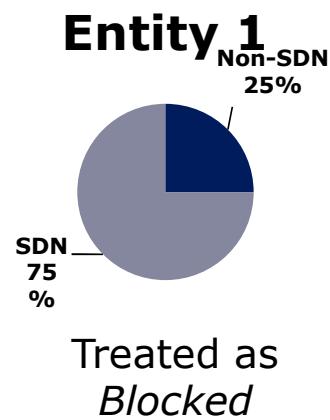


- The example below is a transaction involving the reexport of U.S. origin goods to a sanctioned country.



Entities Owned by Persons Whose Property and Interest in Property are Blocked (50% Rule)

See OFAC's guidance on entities owned in the aggregate 50% or more, directly or indirectly, by one or more blocked person





LICENSES & EXEMPTIONS



Licenses and Exemptions

Exemption

A category of transaction or activity exempt from prohibition

General License

A broad authorization related to a category of transactions or type of conduct – no specific authorization required

Specific License

A specific authorization issued on a case by case basis

Statement of Licensing Policy

A public statement issued by OFAC regarding the agency's policy with regard to a category of activity that requires a specific license



Major OFAC Export-Related Exemptions/General Licenses¹

Comprehensive Sanctions Program	Export of Info. Materials	Export of Food	Export of Agricultural Commodities	Export of Medicine	Export of Medical Devices	Export of Medical Supplies
Crimea	✓	✓	✓	✓	✓	✓
Cuba	✓	✓	✓	✓	✓	✓
Iran	✓	✓	✓	✓	✓	
North Korea	✓					
Syria	✓	✓		✓		

Notes:

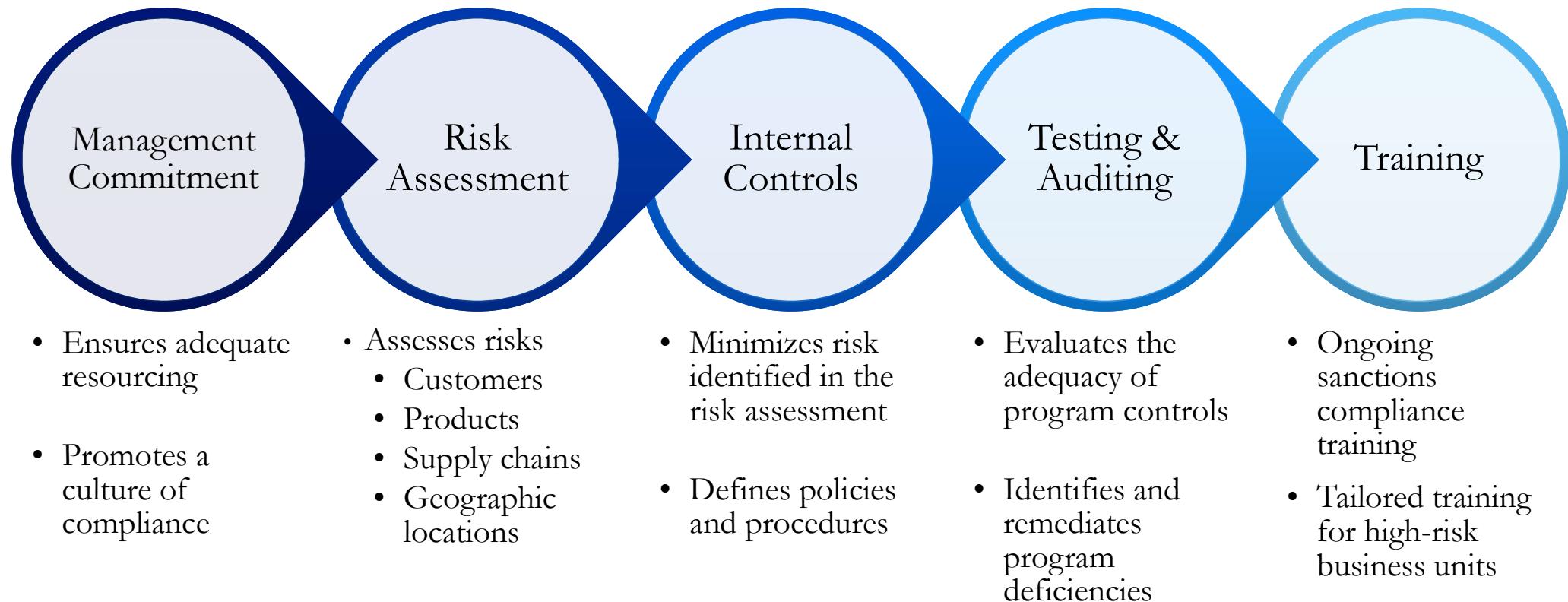
1: All OFAC-issued general licenses are subject to certain conditions.

COMPLIANCE CONSIDERATIONS



Compliance Considerations

A Framework for OFAC Compliance Commitments



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Compliance Considerations

Root Causes of OFAC Sanctions Compliance Program Breakdowns or Deficiencies



Lack of an appropriate risk-based OFAC Sanctions Compliance Program



Sanctions Screening Software or Filter Faults



Misinterpreting, or Failing to Understand the Applicability of, OFAC's Regulations



Improper Due Diligence on Customers/Clients (e.g., Ownership, Business Dealings, etc.)



U.S. Persons Facilitation of Non-U.S. Persons transactions (Including Through or By Overseas Subsidiaries or Affiliates)



Exporting or Re-exporting U.S.-origin goods, Technology, or Services to OFAC Sanctioned Persons or Countries



OFAC Sanctions Update



Sanctions Update

- XPCC
 - Designated on July 31, 2020
 - General License No. 2A extended the Wind Down to November 30, 2020
- COVID
 - April 9, 2020 statement in support COVID-19-related aid to sanctioned jurisdictions through legitimate and transparent channels.
 - [FACT Sheet](#)
- Cuba
 - State's Cuba Prohibitive Accommodations List (§ 515.210)
 - Amending the CACR to exclude the importation into the United States of Cuban-origin alcohol and tobacco products from several general authorizations.
 - Amended the scope of certain travel authorizations within the 12 categories of authorized travel
- Venezuela
 - On August 5, 2019 OFAC designated the Government of Venezuela pursuant to Executive Order 13884.

Sanctions Update



- Iran
 - U.S. Withdrawal from the JCPOA
 - Full re-imposition of U.S. nuclear-related secondary sanctions
 - Re-listing of over 700 individuals and entities to sanctions lists
 - Revocation of limited primary sanctions relief
 - New Authorities
 - Executive Order 13846: Re-imposing Certain Sanctions With Respect to Iran
 - Executive Order 13871: Supreme Leader's Office
 - Executive Order 13876: Iran's Metal Sector
 - Executive Order "Imposing Sanctions With Respect to Additional Sectors of Iran" (issued on January 10, 2020)
 - Central Bank of Iran Designation under Executive Order 13224
 - Humanitarian Framework - Announced on October 25, 2019



OFAC Resources and Contact Information





Contact Information

OFAC Compliance Hotline:

Toll Free: 1-800-540-6322

Phone: 202-622-2490

Email: OFAC_Feedback@treasury.gov

OFAC Licensing:

1-202-622-2480

www.treasury.gov/ofac

**U.S. Department of the Treasury
Office of Foreign Assets Control
Freedman's Bank Building
1500 Pennsylvania Avenue, NW
Washington, DC 20220**



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Sanctions Resources



Apply for a Specific License

See Recent Actions

Read FAQs & Guidance

NEWS **News and Frequently Updated Content**
OFAC updates its website on a regular basis. Information on the latest changes to OFAC's site can be found below.

- [OFAC Recent Actions](#)
- [Press Center](#)

Apply for an OFAC License
A license is an authorization from OFAC to engage in a transaction that otherwise would be prohibited (e.g. release of blocked funds).

[APPLY FOR AN OFAC LICENSE >](#)

- [Additional Information About OFAC Licenses](#)

General OFAC Information and Guidance
In addition to providing guidance on specific sanctions programs, OFAC provides information on a number of sanctions-related issues that span multiple programs or that may affect specific industries.

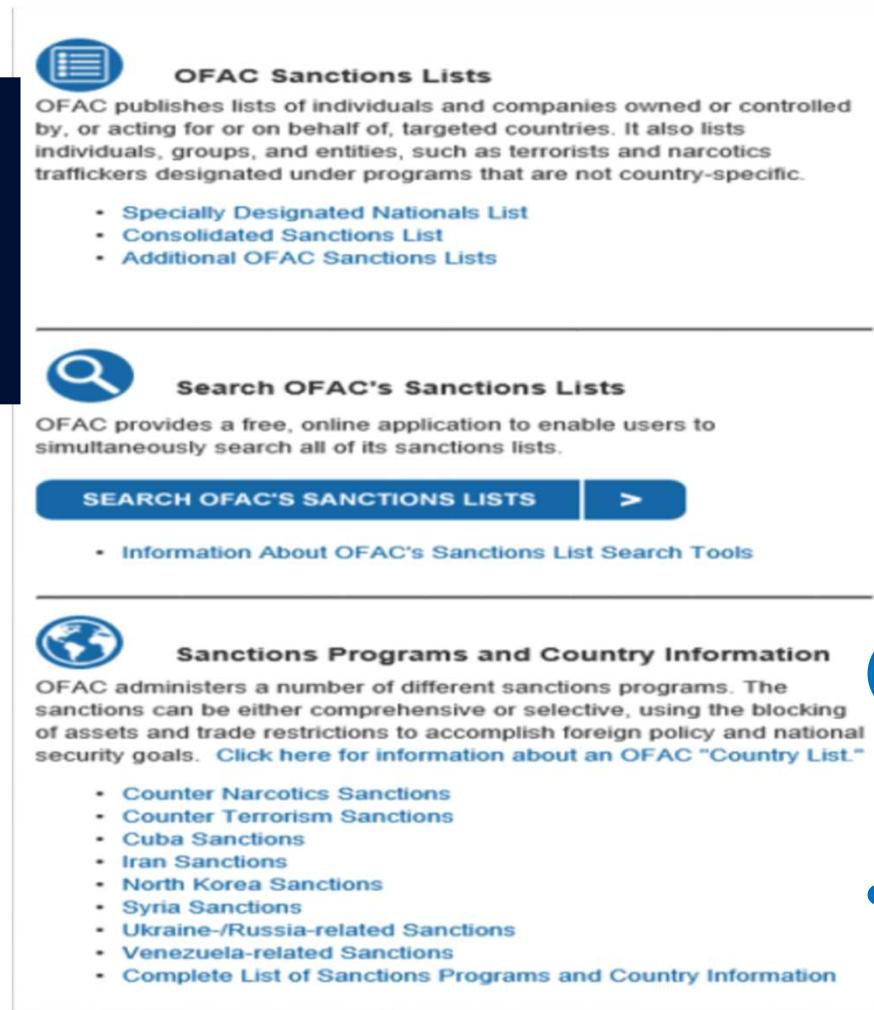
- [Frequently Asked Questions \(FAQs\)](#)
- [Information on Cuba-related Travel](#)
- [Information on Releasing Blocked or "Frozen" funds](#)
- [Civil Penalties and Enforcement Information](#)
- [Reporting Forms and Applications](#)
- [Additional Resources \(Legal Library, Information for Industry Groups, Non-treasury Sanctions Information\)](#)
- [Contact OFAC](#)

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Sanctions Resources



Search the
SDN List



The screenshot shows the OFAC Sanctions Lists page. It includes sections for "OFAC Sanctions Lists" (with links to Specially Designated Nationals List, Consolidated Sanctions List, and Additional OFAC Sanctions Lists), "Search OFAC's Sanctions Lists" (with a search button), and "Sanctions Programs and Country Information" (with links to various programs like Counter Narcotics Sanctions, Counter Terrorism Sanctions, Cuba Sanctions, Iran Sanctions, North Korea Sanctions, Syria Sanctions, Ukraine-/Russia-related Sanctions, Venezuela-related Sanctions, and a Complete List of Sanctions Programs and Country Information).

Learn about
the programs

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Sanctions Resources



- [Sanctions List Search](#)
- [OFAC Recent Actions](#)
- [OFAC's Frequently Asked Questions \(FAQs\)](#)
- [Civil Penalties and Enforcement Information](#)
- [Sanctions Programs and Country Information](#)
- [eCFR](#)
- [A Framework for OFAC Compliance Commitments](#)



Thank you for your attention.

Questions?