



U.S. Sanctions Update

as of January 2024

Country	Guidance	Practice Pointers
In General	U.S. Persons prohibited from transactions with anyone on the OFAC SDN List without a license, <i>regardless of country</i> . ¹ Includes entities <i>owned</i> in excess of 50-percent by one or more SDNs (33-percent for select Russian nationals). Exports to those on the BIS Entity List prohibited without export license. ² Compliance guidance " <i>A Framework for OFAC Compliance Commitments</i> ." ³	Identify ownership of parties and screen on a regular basis . Understand export categorizations and screen all international customers.
Russia	Significant restrictions across critical Russian industries . Subject to price cap on Russia-origin crude . Sanctions <i>continue to increase</i> . Threat of potential secondary sanctions on certain activities, including foreign financial institutions (“FFIs”). Expanded license requirements on export controls on all items on the CCL.	Stay current on regulations and carefully screen all parties for ultimate beneficial ownership. Work with counsel to ensure transactions properly structured .
Crimea, LNR/DNR regions	Near complete embargos of Ukrainian regions subject to Russian occupation, prohibiting nearly all transactions without a license.	Consider these areas blacklisted .
China	Escalating tensions leading to continued increase in restrictions. <i>Expect this trend to continue</i> in the foreseeable future. Various restrictions between export controls and sanctions prohibitions . Increasing number of SDNs under various programs, including further designations in Hong Kong . Significant BIS export controls on advanced computing capabilities .	Vet all parties thoroughly for ultimate beneficial ownership. Work with counsel to identify export classifications and obtain proper licenses .
Cuba, Syria, & South Sudan	Severely restrictive embargos prohibiting most transactions without a license. Prohibition on direct/indirect financial transactions , for which the ultimate beneficiaries are Restricted Entities and Subentities Associated with Cuba.	Consider these areas effectively blacklisted . Cuba has some limited exceptions .
Iran & North Korea	Near complete embargos , prohibiting nearly all transactions without a license. Secondary sanctions restrict foreign entities from engaging.	Consider these areas blacklisted .
Venezuela	Transactions with Venezuelan government and related entities blocked or extremely limited . General Licenses may authorize <i>limited</i> transactions. Recent sanctions relief has begun to be rolled back due to failure of the Venezuelan government to abide by its agreed commitments.	Vet all parties thoroughly for ultimate beneficial ownership. Work with counsel to ensure transactions properly structured .
Other Notes	Other country specific sanctions programs : Afghanistan, Balkans, Belarus, Burma, Central African Republic, Darfur, Democratic Republic of the Congo, Ethiopia, Hong Kong, Iraq, Lebanon, Libya, Mali, Nicaragua, Somalia, Sudan, Western Balkans Region, Yemen, & Zimbabwe. Policy for denial on export of defense items : Belarus, Burma, China, Cuba, Iran, North Korea, Syria, & Venezuela. Policy for denial on export of defense items & services with some exceptions : Afghanistan, Central African Republic, Cyprus, Democratic Republic of Congo, Eritrea, Haiti, Iraq, Lebanon, Libya, Somalia, Sudan/South Sudan, Zimbabwe.	
Recent Updates	OFAC has rolled back sanctions relief for Venezuela . CVG Minerven subject to wind down period until Feb 13. E.O. 14114 creates secondary sanctions risks in Russia for FFIs. Publication of related “ <i>Guidance for Foreign Financial Institutions on OFAC Sanctions Authorities Targeting Support to Russia’s Military-Industrial Base</i> .” ⁴ Significant focus on Russian crude oil price cap with publication of Quint-Seal Compliance Note, Maritime Oil Industry Advisory and designation of various vessels. Additional focus on Russia’s military procurement network . Conflict in the Middle East has led to additional designations. Expect this trend to continue. FinCEN and BIS announce new reporting key term and note red flags relating to export control evasion . Commerce proposes rule to implement Biden-Harris Administration’s AI Executive Order . BIS announces various enhancements to voluntary self-disclosure process .	

¹ The SDN List is available at: <https://sdnsearch.ofac.treas.gov/>.

² BIS Entity List available at: <https://www.bis.doc.gov/index.php/documents/regulations-docs/2326-supplement-no-4-to-part-744-entity-list-4/file>

³ “*A Framework for OFAC Compliance Commitments*” available at: https://home.treasury.gov/system/files/126/framework_ofac_cc.pdf

⁴ Guidance available at: <https://ofac.treasury.gov/media/932436/download?inline>

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