



## Conference on Export Controls and Policy

U.S. Department of Commerce  
"Sanctions and Special Controls"  
November 2, 2015  
Washington, DC

## What is OFAC?



### **Office of Foreign Assets Control (OFAC)** **U.S. Department of the Treasury**

OFAC administers and enforces economic and trade sanctions against targeted:

- Foreign governments
- Individuals
- Entities

## OFAC Terminology: Licenses



### General License

- Regulatory provision authorizing otherwise prohibited transactions
- No separate authorization necessary
- Published in the regulations or on OFAC's website

### Specific License

- Authorization from OFAC issued on a case-by-case basis
- Issued to a specific individual or company
- Allows specified transactions that would otherwise be prohibited



## Iran Highlights

## Overview



- Timeline of Iran Sanctions Authorities
- Joint Plan of Action (JPOA)
- Joint Comprehensive Plan of Action (JCPOA)
  - Timeline
  - Structure
  - Relief
  - Sanctions Remaining

## Joint Plan of Action (JPOA)



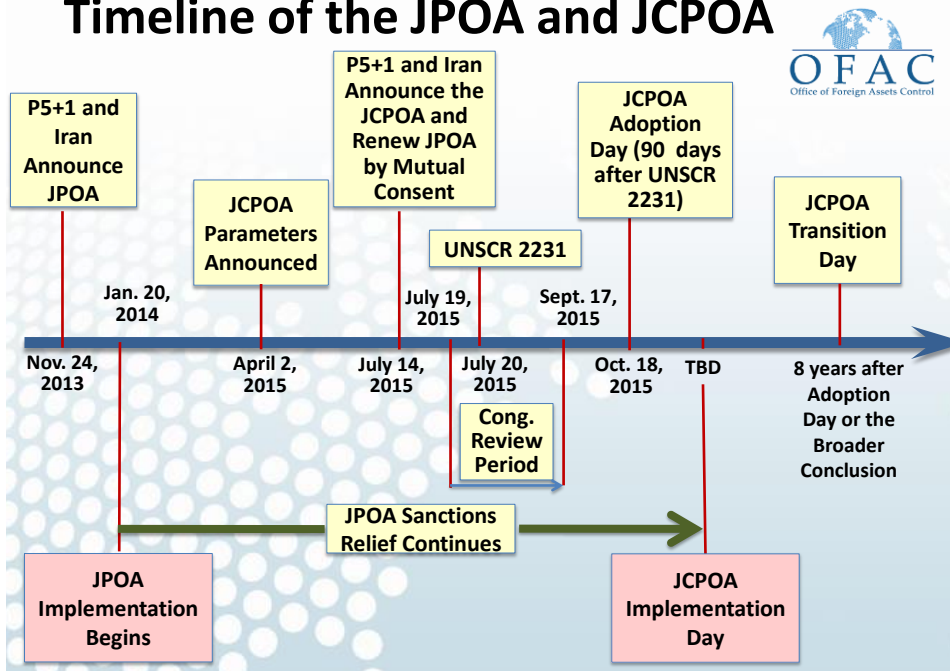
- The limited, temporary, and reversible sanctions relief in effect from January 20, 2014 was extended on July 14, 2015 until the JCPOA Implementation Day
  - **No other sanctions relief will be provided until Implementation Day**
- The relief generally applies only to non-U.S. persons not otherwise subject to the Iranian Transactions and Sanctions Regulations (ITSR)
  - **No relief for persons subject to the ITSR, apart from OFAC's Statement of Licensing Policy for the safe operation of Iranian commercial passenger aircraft**

## Joint Plan of Action (JPOA)



- As a reminder, JPOA relief focuses on a few specific areas of trade –
  - Iran’s petrochemical sector
  - Gold and precious metals
  - Inputs into Iran’s automotive sector
  - Iranian crude oil exports
- Civil aviation safety statement of licensing policy
- Repatriation of an agreed amount of restricted Iranian revenue held abroad
- Humanitarian financial mechanism
- None of the U.S. trade sanctions that prohibit U.S. companies, including their foreign subsidiaries, from engaging in trade with Iran have been altered, other than in the statement of licensing policy relating to the safe operation of Iranian commercial passenger aircraft

## Timeline of the JPOA and JCPOA



## Joint Comprehensive Plan of Action



- Iran and the P5+1 reached a Joint Comprehensive Plan of Action (JCPOA) on July 14, 2015
  - The JCPOA provides phased sanctions relief following IAEA verification that Iran has taken its nuclear related steps
- **The sanctions relief component of the JCPOA has not yet taken effect**, and will not take effect until the IAEA has verified that Iran has implemented its nuclear-related commitments (Implementation Day)
- The only sanctions relief in force is the JPOA relief, which is currently in effect until Implementation Day
  - Until Implementation Day, parties that engage in transactions or dealings outside the scope of the JPOA relief could be subject to sanctions

## Overview of JCPOA U.S. Sanctions Relief



- Relieves “nuclear-related” secondary sanctions
- Broad U.S. trade embargo applicable to U.S. persons, with limited exceptions:
  - Commercial passenger aircraft, parts, and services
  - Foreign subsidiaries
  - Imports of Iranian-origin carpets and foodstuffs
- Removal of over 400 individuals and entities from the SDN List
  - The Government of Iran (GOI) and Iranian Financial Institutions will remain blocked pursuant to the ITSR
- U.S. sanctions relief under the JCPOA can be “snapped back” if Iran fails to comply with the JCPOA
  - There is no “grandfather” clause under the JCPOA

## U.S. Sanctions Remaining in Place



- Primary sanctions under the ITSR, including blocking of the GOI/Iranian financial institutions
- U.S. sanctions targeting Iran's:
  - Support to terrorism
  - Human rights abuses
  - Missile procurement
  - Destabilizing activity in the region
- Secondary sanctions on significant financial transactions with Iranian persons on OFAC's SDN List (and other persons designated in connection with Iran's WMD programs or support for terrorism)
  - E.g., Bank Saderat, Mehr Bank, Ansar Bank, Mahan Air



## Cuba Updates

## Cuba Changes



- January 2015 Changes
- September 2015 Changes
  - Travel
  - Carrier services
  - Education
  - Physical Presence
  - Telecommunications and Internet Based Services

## 12 Categories of Authorized Travel



1. Family visits ( § 515.561);
2. Official business of the U.S. government, foreign governments, and certain intergovernmental organizations ( § 515.562);
3. Journalistic activity ( § 515.563);
4. Professional research and professional meetings ( § 515.564);
5. Educational activities ( § 515.565);
6. Religious activities ( § 515.566);
7. Public performances, clinics, workshops, athletic and other competitions, and exhibitions ( § 515.567);
8. Support for the Cuban people ( § 515.574);
9. Humanitarian projects ( § 515.575);
10. Activities of private foundations or research or educational institutes ( § 515.576);
11. Exportation, importation, or transmission of information or informational materials ( § 515.545);
12. Certain export transactions that may be considered for authorization under existing Department of Commerce regulations and guidelines with respect to Cuba or engaged in by U.S.-owned or -controlled foreign firms ( § § 515.533 and 515.559).

## January 2015 Revisions



- Travel
- Travel and Carrier Services
- Telecommunications
- Cash-in-advance
- Remittances

## September 2015 Revisions



- Travel-related transactions
  - Authorized travelers can open, maintain, and close accounts at a financial institution in Cuba for the purpose of accessing funds in Cuba for authorized transactions
  - Family visits – eligible categories expanded
  - Clarification that export related travel to install items authorized
- Carrier services by vessel
  - Must be directly between the U.S. and Cuba (no stops in third countries)
  - Certain lodging services aboard vessels in connection with such transportation
- Educational activities



## September 2015 Revisions (Physical Presence)



- Physical presence and operations in Cuba authorized for companies in the following categories:
  - news bureaus;
  - exporters of certain goods authorized for export or reexport by Commerce and OFAC to Cuba;
  - entities providing mail or parcel transmission services;
  - providers of telecommunications or internet-based services;
  - entities organizing or conducting certain educational activities;
  - religious organizations;
  - and providers of carrier and certain travel services.
- Cuban and U.S. employees in Cuba
- Bank accounts

## September 2015 Revisions (Telecom)



- Business presence in Cuba
  - Subsidiaries, Branches, Joint Ventures, Franchises, Agency or Other Business Relationships with Cuban Nationals
- Licensing Agreements & Marketing
- Internet Based Services
  - Importation of Mobile Apps
  - Hiring Cuban National Developers
  - Additional Export-related services

## Contact Information



### **OFAC Compliance Hotline**

Phone: 202-622-2490

Toll Free: 1-800-540-6322

Fax: 202-622-2426

Email: [OFAC\\_Feedback@treasury.gov](mailto:OFAC_Feedback@treasury.gov)

### **OFAC Licensing**

202-622-2480

### **Office of the Chief Counsel**

202-622-2410