# BIS & OFAC:
# Embargoes & Other Sanctions

**Department of Commerce**
**Bureau of Industry & Security**
**Office of Exporter Services**
**&**
**Department of Treasury**
**Office of Foreign Assets Controls**

# Cuba

- Cuba is designated as a State supporter of terrorism
- BIS and Treasury's Office of Foreign Assets Control (OFAC) share jurisdiction:
  - BIS licenses exports & reexports of items subject to the EAR
  - Treasury (OFAC) licenses travel, financial activities, services for U.S. persons
  - Consult with OFAC for guidance

# Iran and Sudan

- Both are designated as State supporters of terrorism
- Treasury/OFAC has licensing jurisdiction for Iran. OFAC and BIS share jurisdiction for Sudan
- BIS alone has "deemed exports" for both countries.
- OFAC licenses exports of agricultural commodities, medicines, and medical devices under the Trade Sanctions Reform and Enhancement Act (TSRA)

# Syria

- Syria is designated as a State supporter of terrorism General order published 5/14/04 implementing the Syrian Accountability and Lebanese Sovereignty Restoration Act.
- License required for all items subject to EAR except:
  - Food and medicine that is EAR99.
  - Deemed exports and deemed reexports of EAR99 technology and source code.

# Syria

- General policy of denial – except case-by-case consideration of:
  - U.S. Government functions
  - Aircraft safety
  - Medical devices
  - Telecommunications equipment and associated computers
  - U.N. functions
- Few and limited license exceptions

# North Korea

- BIS has licensing jurisdiction for exports and reexports of dual-use items to North Korea.
- North Korea is designated as a State supporter of terrorism.
- From June 2000 to January 2007, policy authorized exports and reexports of most EAR99 items to North Korea without a license.
- Very little licensed trade under that policy.

# North Korea

- In January, 2007 BIS published a rule to implement United Nations Security Council Resolution 1718 sanctions on North Korea.
- This rule:
  - Implements the luxury goods restrictions called for by UNSCR 1718 by presenting an illustrative list of luxury items that are subject to a policy of denial.
  - Provides that humanitarian items for the benefit of the North Korean people will be reviewed with a presumption of approval.

# Burma

- BIS has export and reexport licensing jurisdiction for dual use items to Burma.

- BIS published a final rule in the Federal Register on October 24, 2007 (72 FR 60248) which amended the EAR to
  - move Burma from Computer Tier 1 to Computer Tier 3;
  - move Burma from Country Group B into more restrictive country grouping Country Group D:1, while leaving Burma in Country Group D:3; and
  - impose a license requirement for exports, reexports or transfers of most items subject to the EAR to persons listed in or designated pursuant to Executive Orders 13310 and 13448.
- BIS plans to implement newly-issued Executive Order 13464.

# Limited Embargoes

- Iraq
  - UN arms embargo applies to the export of arms and military items to Iraq other than to the Interim Government or the multinational forces.
  - Additionally, a license is required for the known transfer of any item subject to the EAR to a military end-use or end-user.
- Rwanda
  - UN arms embargo applies to the sale or supply to Rwanda of arms and related matériel of all types and regardless of origin, including weapons and ammunition, military vehicles and equipment, paramilitary police equipment, and spare parts for such items.
    - Crime Control and detection equipment on the CCL

# Example of a Transitioned Country

- BIS has licensing jurisdiction for exports and reexports to Libya.
- On April 23, 2004, the US embargo on Libya was terminated.
- On June 30,2006, the United States rescinded Libya's designation as a state sponsor of terrorism
- On August 31,2006 BIS published a regulation that removed the licensing requirements for all items controlled for anti-terrorism reasons only to Libya and updated license requirements and licensing policy for Libya under the EAR.

# Who 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** (e.g. Iran, Sudan, Cuba)
  - **Individuals** (e.g. terrorists, narcotics traffickers)
  - **Entities** (e.g. drug front companies, charities linked to terrorist groups)
  - **Practices** (e.g. trade in non-certified rough diamonds, proliferation of WMD)

# Sanctions Programs

OFAC currently administers sanctions programs against:

- Balkans
- Belarus
- Burma (Myanmar)
- Cote d'Ivoire
- Cuba
- Diamond Trading
- Iran
- Iraq
- Liberia
- Narcotics Trafficking
- Non-Proliferation
- North Korea
- Sudan
- Syria
- Terrorism
- Zimbabwe

- See OFAC's website for details on each of these programs: www.treas.gov/ofac

# Sanctions Programs

- Country Sanctions Programs:
  - Comprehensive
  - Regime Based
  - List Based

# Sanctions Programs: Comprehensive

- The Current comprehensive sanctions programs are **Cuba, Iran, and Sudan**

- In general the following are **prohibited** under **comprehensive** sanctions programs:
  - Exports (direct or indirect)
  - Imports (direct or indirect)
  - Trade brokering, financing, or facilitation
  - Any attempt to evade or avoid the sanctions
- Applies to most goods, technology, and services
- Limited exceptions may be licensable by OFAC, such as agricultural goods or humanitarian items

# Sanctions Programs: Regime-Based

- Balkans/Yugoslavia
  - Block property of Milosevic supporters and persons who threaten international stabilization efforts in the Western Balkans
- Zimbabwe
  - Block property of persons undermining democratic processes or institutions in Zimbabwe (Robert Mugabe, etc.)
- Iraq
  - Iraqi Sanctions Regulations terminated
  - All new transactions are authorized
  - Assets previously blocked remain blocked
  - Licensing authority transferred to BIS

# Sanctions Programs: Regime-Based

- Belarus
  - Block property of persons undermining democratic processes or institutions
  - Aimed at corrupt members of the Government of Belarus
  - Executive order signed on June 19, 2006
- Liberia
  - Block property of Charles Taylor and his supporters and persons who have undermined Liberia’s transition to democracy
  - Import of Liberian-origin timber is prohibited

# Sanctions Programs: Limited Programs

- North Korea
  - Goods of North Korean origin may not be imported without authorization from OFAC
  - Payment for unauthorized imports is prohibited

- Burma/Myanmar
  - Exports to Burma are allowed
  - Importation of items of Burmese origin is prohibited
  - Specific entities are blocked, all other transactions are rejected due to the ban on financial services

# Sanctions Programs: Limited Programs

- Cote d’Ivoire
  - Block property of individuals found to:
    - Threaten peace and publicly incited violence and hatred in Cote d’Ivoire
    - Supply armaments and military training to Cote d’Ivoire
- Syria
  - Ban on exports of US-origin goods (BIS)
  - Stop transactions related to terrorism
  - Block assets of entities supporting terrorism, pursuing WMD, and undermining international stabilization and reconstruction efforts in Iraq

# Contact Information

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