



**DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220**

OFFICE OF FOREIGN ASSETS CONTROL

**GUIDANCE ON ENTITIES OWNED BY PERSONS WHOSE PROPERTY
AND INTERESTS IN PROPERTY ARE BLOCKED**

This guidance responds to inquiries received by the Department of the Treasury's Office of Foreign Assets Control ("OFAC") relating to the status of entities owned by individuals or entities designated under Executive orders and regulations administered by OFAC.

Property blocked pursuant to an Executive order or regulations administered by OFAC is broadly defined to include any property, tangible or intangible, or any interest therein, including present, future or contingent interests. A property interest subject to blocking includes interests of any nature whatsoever, direct or indirect.

A person whose property and interests in property are blocked pursuant to an Executive order or regulations administered by OFAC (a "blocked person") is considered to have an interest in all property and interests in property of an entity in which it owns, directly or indirectly, a 50% or greater interest. The property and interests in property of such an entity are blocked regardless of whether the entity itself is listed in the annex to an Executive order or otherwise placed on OFAC's list of Specially Designated Nationals ("SDNs"). Accordingly, a U.S. person generally may not engage in any transactions with such an entity, unless authorized by OFAC. In certain OFAC sanctions programs (e.g., Cuba and Sudan), there is a broader category of entities whose property and interests in property are blocked based on, for example, ownership or control.

U.S. persons are advised to act with caution when considering a transaction with a non-blocked entity in which a blocked person has a significant ownership interest that is less than 50% or which a blocked person may control by means other than a majority ownership interest. Such entities may be the subject of future designation or enforcement action by OFAC. Furthermore, a U.S. person may not procure goods, services or technology from, or engage in transactions with, a blocked person directly or indirectly (including through a third-party intermediary).

As OFAC issues regulations implementing new sanctions programs, this guidance will be incorporated into those regulations. In addition, OFAC expects to amend existing sanctions programs to incorporate this guidance into the regulations implementing those programs.