

Office of Foreign Assets Control

Fact Sheet Regarding Activities in the Republic of South Sudan

Date: December 8, 2011

On January 9, 2011, in a popular referendum, the people of Southern Sudan voted in favor of independence. On July 9, 2011, Southern Sudan gained its independence, becoming the new Republic of South Sudan, and was formally recognized by the United States Government. Since July 9, 2011, the Republic of South Sudan has been an independent state. As such, it is no longer subject to the Sudanese Sanctions Regulations (SSR) administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC).

While the Republic of South Sudan is no longer subject to the SSR, certain activities in or involving the Republic of South Sudan continue to be prohibited by the SSR, absent authorization from OFAC, given the interdependence between certain sectors of the economies of the Republic of South Sudan and Sudan. In order to encourage U.S. investment in the Republic of South Sudan, OFAC has today issued two general licenses (GLs) that authorize, to the extent otherwise prohibited by the SSR, (1) activities and transactions relating to the petroleum and petrochemical industries in the Republic of South Sudan and related financial transactions and (2) the transshipment of goods, technology, and services through Sudan to and from the Republic of South Sudan and related financial transactions.

The following questions and answers are intended to provide guidance to the public regarding the participation of U.S. persons in activities in the petroleum and petrochemical industries in the Republic of South Sudan. Additional questions may be directed to OFAC's hotline at (800) 540-6322 or (202) 622-2490.

1. Can I export equipment for use in South Sudan's oil sector?

Yes. Such exports, if prohibited by the SSR, are authorized by the new GL for activities relating to the Republic of South Sudan's petroleum or petrochemical industries. That GL authorizes exports to the oil sector in the Republic of South Sudan that otherwise would be prohibited, whether because they relate to the petroleum or petrochemical industries in Sudan or involve dealing in Government of Sudan (GOS) property or are transshipped through Sudan. Certain types of equipment, such as dual use items, are also subject to Commerce Department licensing requirements. For more information about those requirements, contact the Foreign Policy Division of the Bureau of Industry and Security (BIS) at 202-482-4252, or visit www.bis.doc.gov.

2. Can I transship equipment through Sudan to use in South Sudan?

Yes. The transshipment of equipment, whether oil-related or not, through Sudan to or from South Sudan is now authorized.

3. Do I need any additional authorization from OFAC to engage in particular activities related to South Sudan's oil sector, such as paying pipeline or port fees?

No. To the extent that they are prohibited by the SSR, all activities and transactions relating to the petroleum and petrochemical industries in the Republic of South Sudan are authorized, including but not limited to the transshipment of goods, technology, and services to or from the Republic of South Sudan through Sudan; exploration; development; production; field auditing services; oilfield services; activities related to oil and gas pipelines; investment; payment to the GOS or to entities owned or controlled by the GOS of pipeline, port, and other fees; and downstream activities such as refining, sale, and transport of petroleum from the Republic of South Sudan, except for the refining in Sudan of petroleum from the Republic of South Sudan.

4. Can I participate in the refining of Southern Sudanese crude oil in refineries located in Sudan?

No. Refining in Sudan of petroleum from the Republic of South Sudan continues to be prohibited.

5. Does this mean I can do business in Sudan's oil sector now?

No. All activities and transactions relating to the petroleum and petrochemical industries in Sudan continue to be prohibited, unless otherwise authorized.

6. Can I use a bank that is owned by the Government of Sudan to facilitate a payment for oil-related activities in South Sudan?

All financial transactions ordinarily incident to the activities authorized by both the oil and the transshipment general licenses also are authorized, including but not limited to financial transactions with a depository institution owned or controlled by the GOS or located in Sudan, provided that any transaction between a U.S. depository institution and a depository institution owned or controlled by the GOS must first transit through a depository institution that is not owned or controlled by the GOS.