

## EU

### EU Extends Russia Sanctions

On 19 December, the Council [extended](#) the application of economic sanctions targeting specific sectors of the Russian economy for a further six months until 31 July 2017. These restrictions were introduced on 31 July 2014 by way of [Council Regulation \(EU\) No 833/2014](#) “concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine”. These sanctions target Russia’s defense, energy and financial sectors, and restrict trade in dual-use goods and Russian banks’ access to EU capital markets. [Decision \(CFSP\) 2016/2315](#) amends [Decision 2014/512/CFSP](#).

### EU Set to Renew Sanctions on Tunisia

The EU has announced its intention to renew the asset freezing measures imposed on the 48 individuals listed on its sanctions against Tunisia on the grounds of their “responsibility for misappropriating state funds”. At the time of this bulletin, these measures are set to expire on 31 January 2017. The EU’s notices to the listed can be found [here](#) and [here](#).

### EU Implements UN Listings to Its North Korea Sanctions

The EU has implemented the UN’s recent sanctions listings in regard to North Korea, and has added 10 entities and 11 people to the list of persons subject to an asset freeze and travel ban. The EU has also removed duplicate entries created by the addition of the new names to its UN-designations annex. [Commission Implementing Regulation 2016/2215](#) amends [Council Regulation 329/2007](#) and [Council Decision 2016/2217](#) amends [Council Decision 2016/849](#).

### EU Amends Its Sanctions on Syria

The European Council has amended its sanctions against Syria in order to allow for the otherwise prohibited purchase or transportation of oil and petroleum products in Syria, where the sole purpose is to provide humanitarian relief or assistance to the Syrian population. The amendments also include a corresponding derogation from the asset freeze and travel ban. The authorisation provided for by the revisions is open to entities in receipt of public funding for providing aid to Syria, as well as other entities authorised by Member States. [Council Regulation 2016/2137](#) amends [Council Regulation 36/2012](#), and [Council Decision 2016/2144](#) amends [Council Decision 2013/255/CFSP](#).

## UK

### UK Office of Financial Sanctions Implementation (OFSI) Issues New Guidance on Travel to the UK

OFSI has [updated](#) its sanctions guidance in order to include a section on travel to the UK. The new guidance announces that all designated people who are planning to visit the UK, as well as people being funded by a designated person, must hold an appropriate licence to support themselves while in the country that must be applied for at least four weeks before travelling or applying for a visa.

### OFSI Renews Palestine Terrorist Asset Freezes

With effect from 7 December 2016, HM Treasury’s Office of Financial Sanctions has [renewed](#) for 12 months the UK asset freezes which apply to the Popular Front for the Liberation of Palestine (PFLP) and the Popular Front for the Liberation of Palestine – General Command (PFLP-GC), imposed under the Terrorist Asset-Freezing, etc., Act 2010.

### OFSI Consultation on New Civil Penalties for Sanctions Breaches

OFSI is currently consulting on its draft guidance on monetary penalties for breaches of financial sanctions within the context of new civil powers in the Policing and Crime Act 2017. This guidance sets out how OFSI will assess whether to impose monetary penalties and how those penalties will be calculated. The consultation document invites views before 27 January 2017 on questions set out in its [consultation document](#). The response form can be accessed [here](#).

### UK to Vote on “Magnitsky” Sanctions Against Human Rights Violators

UK Parliamentarians will be [voting](#) on the introduction of unilateral sanctions targeting human rights violators, under similar provisions as are in force in the US under the Magnitsky Act. Should the Magnitsky Agreement be passed, it would empower the UK government and private parties to apply to the UK High Court for the UK assets of people involved in or profiting from human rights abuses around the world to be frozen.

## US

### Obama Administration Responds to Russian Hacking With Enhanced Cyber-Related Sanctions

On 28 December 2016, the US President issued Executive Order (EO) [13757](#) to amend a 2015 EO authorising the US Treasury Department's Office of Foreign Assets Control (OFAC) to impose sanctions for significant malicious cyber-enabled activities. Intended to address alleged Russian tampering in the US elections, EO 13757 expands the scope of the 2015 EO to include blocking sanctions against those found to be involved in "tampering with, altering or causing a misappropriation of information with the purpose or effect of interfering with or undermining election processes or institutions." EO 13757 further imposes those sanctions against five entities and four individuals in the Russian Federation believed to be involved in malicious hacking. In coordination with that action, the Commerce Department's Bureau of Industry and Security (BIS) added the five Russian entities to the [Entity List](#), prohibiting exports, reexports and transfers (in-country) of all items subject to the Export Administration Regulations (EAR) without a BIS license.

### New OFAC General License Authorises Transactions for Liquidation of Banco Continental, S.A.

The OFAC has issued a new [general licence](#) under the Foreign Narcotics Kingpin Sanctions Regulations, 31 C.F.R. part 598, authorising certain transaction relating to the wind-down of the Honduran bank, Banco Continental, S.A. The bank was added to OFAC's list of Specially Designated Nationals and Blocked Persons in October 2015 in connection with suspected support for international narcotics trafficking activities. Under the new general licence, General License No. 1C, OFAC has authorised (until 14 June 2017) transactions by US persons for the liquidation and wind-down of the bank, including transactions and activities related to the preparation and submission of bids to acquire the bank's assets. US persons using the general licence are required to file summary reports with OFAC within 10 business days after the conclusion of the authorised liquidation and wind-down activities.

### OFAC Expands Scope of Authorised Humanitarian Exports to Iran

OFAC has adopted a [final rule](#) amending the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR), to authorise additional transactions relating to medicine, medical devices and agricultural commodities. The rule expands existing general licences in the ITSR that are adopted under the Trade Sanctions Reform and Export Enhancement Act of 2000, as amended (TSRA). It includes new authorisations for training, replacement parts, software and services related to the operation, maintenance and repair of medical devices, and items relating to product defects, recalls and other safety concerns.

### Obama Administration Lifts Embargo of Sudan

On Tuesday, 17 January 2017, the Treasury Department's Office of Foreign Assets Control (OFAC) published in the [Federal Register](#) a far-reaching amendment to its Sudanese Sanctions Regulations (SSR), 31 CFR Part 538.

While styled as a "general license," the amendment will have the practical effect of terminating the embargo of Sudan that the US imposed in 1997. All of the prohibitions contained in OFAC's SSR, 31 CFR Part 538, will be rescinded on 17 January, even though the relevant Executive Orders will not be officially revoked until July 2017 (unless, of course, the incoming Trump administration reverses the outgoing Obama administration's decision to lift sanctions). Read here [our analysis](#) on the practical impacts of lifting the embargo and the additional constraints.

## Worldwide

### South Korea and Japan Announce New Sanctions on North Korea

In response to its recent nuclear and ballistic missile tests, South Korea and Japan have [announced](#) that they are imposing new unilateral sanctions on North Korea. The announcements directly follow the UN Security Council's [decision](#) to impose new sanctions on North Korea. Japan is set to impose asset freezes on more people and entities that are related to North Korea's nuclear and missile programmes and ban the entry of all ships that have docked at ports in North Korea. South Korea announced that it intends to blacklist a number of new senior North Korean officials and ban foreign missile and nuclear experts from entering North Korea from the South when their visits are perceived to be a threat to South Korea's national interests.

## Enforcement Actions

### Intesa Sanpaolo S.p.A. and Its New York Branch Pay a US\$235 Million Fine

On 15 December, Intesa Sanpaolo S.p.A. and its New York branch (Intesa) signed a [Consent Order](#) with the New York State Department of Financial Services, agreeing to pay a US\$235 million penalty and take various remedial actions. Among other things, the Consent Order indicates that Intesa failed to maintain an effective antimoney laundering (AML) and OFAC sanctions compliance programme.

### BIS Issues Orders Denying Export Privileges to Several Persons

BIS issued Orders denying export privileges to [Dane Francisco Delgado](#), [Kamran Ashfaq Malik](#) and [Robert Luba](#). BIS also [renewed](#) an Order temporarily denying export privileges to Mahan Airways, Pejman Mahmood Kosarayanifard, Mahmoud Amini, Kerman Aviation, Sirjanco Trading LLC, Ali Eslamian, Mahan Air General Trading LLC, Skyco (UK) Ltd., Equipco (UK) Ltd., Mehdi Bahrami, Al Naser Airlines, Ali Abdullah Alhay, Bahar Safwa General Trading, Sky Blue Bird Group and Issam Shammout.

## Events

### Free Event – SME Briefing on Potential US Business Opportunities – London, UK – 27 January 2017

As part of a broader UK government-led Prosperity Agenda to provide UK companies support to identify and pursue potential export business opportunities, ADS – the premier trade organisation for companies in the UK aerospace, defence security and space sectors – is hosting a complimentary, interactive half-day briefing for SMEs to assist with developing and applying intelligence-led approach to assess US defence technology needs and identify business development opportunities. [George Grammas](#) will participate in the briefing to provide an update on US export controls and the ongoing reform process. Personnel from the British Defence Staff – United States (BDS-US), with which ADS has been working, will join by phone. Click [here](#) to register for the event.

### ITAR and the EAR: US Trade Controls Compliance in Europe – London, UK – 31 January – 1 February 2017

Substantial promotional discount available until 31 January 2017. Guests of our firm are entitled to 20% off regular registration rates. Contact [Peter Adebajo](#) for registration and reference promo code **P20-999-PE017**.

[George Grammas](#) will participate in C5's 5th Forum on compliance with ITAR and the EAR and be among the panelists to discuss "How to Work with Conflicting Definitions". See [here](#) for conference agenda and registration info.

### 7th Annual Advanced ITAR & EAR Compliance Conference and Workshops – Washington DC – 8-9 February 2017

Substantial promotional discount available until 31 December 2016. Guests of Squire Patton Boggs are entitled to 20% off total registration fees. Contact [John Hummel](#) for registration and reference promo code **SPB**.

The firm will once again partner with Marcus Evans to host the two-day gathering. The 2017 conference will provide a forum for professionals in the field to discuss with industry and government experts the evolving Export Control Reform, as well as provide assistance with developing compliance strategies to comprehensively address existing regulations and updates. George Grammas will reprise his role as chair of the conference and lead discussions on "Reviewing What Got Accomplished and What Didn't Leading Into the New Administration." George also will recommend measures to strengthen compliance and training materials. Follow our [blog](#) for additional information.

## About Our Team

Our Export Controls & Sanctions team is built on the ability to advise on the shifting regulatory framework on both sides of the Atlantic. We have extensive experience in advising and representing a wide range of companies and financial institutions in Europe, the US and other jurisdictions on export control and sanctions from a multijurisdictional perspective. Our Export Controls & Sanctions team is part of our overall International Trade Practice, providing a "one-stop shop" solution to global trade compliance through rapid, professional and tailored advice and compliance tools to fit your business needs and processes. If you have any questions relating to sanctions, please contact a member of our EU or US Sanctions team listed herein. You can also email [InternationalTradeCompliance@squirepb.com](mailto:InternationalTradeCompliance@squirepb.com) for assistance.

## Resources to Strengthen Compliance

We encourage you to visit the [Trade Practitioner Blog](#) where you will find more updates on export controls, sanctions and other international trade topics. In addition, organisations engaged in the trade of items specially designed for military or space applications are encouraged to download our complimentary *ITAR Practitioner's Handbook* covering the International Traffic in Arms Regulations (ITAR) and the US Department of Commerce "600 Series."

Download a copy of the handbook [here](#).

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