

EU

EU Renews Sanctions on Burundi

On 23 September, the Council extended [EU sanctions](#) against Burundi until 31 October 2018. The restrictive measures include a travel ban and asset freeze on four persons whose activities were judged to be undermining democracy and stifling attempts to reach a political solution to the situation in Burundi. The official Council press release is available [here](#).

Commission Updates EU Control List of Dual-List Items

On 26 September, the Commission adopted the annual Delegated Regulation updating the EU dual-use export control list in [Annex I to Regulation \(EC\) No 428/2009](#). The update aligns the list with the decisions taken within the framework of the international non-proliferation regimes and export control arrangements in 2016. The changes include updated acronyms and abbreviations, new definitions for certain terms such as “biological agents” and “authentication”, and new (sub-entry controls), among others. The most significant changes relate to dual-use information security items contained in Category 5 Part 2, a new sub-entry for integrated circuits with analogue-to-digital converters.

Estonian Presidency Creates New EU Sanctions Map

On 29 September, the Estonian Presidency launched the EU Sanctions Map containing up-to-date information on EU sanctions presented in a user-friendly format. It is aimed at tackling the difficulties arising from the information not being all in one place. The map can be accessed [here](#).

EU Reduces Tariff on Imports from Ukraine

As of 1 October, the EU opened its market for some agriculture and industrial goods produced in Ukraine. The new EU [Regulation on autonomous tariff measures](#) grants certain benefits for Ukrainian importers. For instance, it waives customs duties for Ukrainian fertilizers, aluminum products or consumer electronics, also giving advantages to EU entrepreneurs that trade or purchase goods or raw materials in those categories in Ukraine. Additionally, it introduces zero-tariff quotas for some agriculture products. The liberalisation of trade restrictions between the EU and Ukraine is an effect of the EU-Ukraine Association Agreement, and new similar measures will be implemented in the near future.

EU Institutions Agree on New Methodology for Anti-dumping Investigations

On 4 October, two main law-making bodies of the EU, the European Parliament and the Council, agreed on [the reform of the EU anti-dumping mechanism](#). The new reform should enter into force at the beginning of 2018. According to new rules, the European Commission will calculate the normal value for dumped goods imported from China, giving priorities to actual prices or costs on the Chinese market. The European Commission will, however, be authorised to construct the normal value on the basis of corresponding costs of production and sale in an appropriate representative country, with a similar level of economic development as the exporting country if the prices in the exporting country are distorted.

The Commission will assess those distortions on non-discriminatory basis in publicly available reports. It means that those reports could be prepared for not only Chinese industries but also any WTO member state where local prices are distorted.

EU Adopts New Sanctions on North Korea

On 16 October, the Foreign Affairs Council adopted [new EU autonomous measures](#) reinforcing the sanctions on North Korea imposed by the UN Security Council, effective immediately. They include a total ban on EU investment in North Korea across all sectors, whereas previously the ban related to certain sectors, such as the arms industry and chemical industries. Also, there is a total ban on the sale of refined petroleum products and crude oil. The amount of personal remittances to North Korea has been lowered from €15,000 to €5,000 in light of suspicions that they are being used in support of nuclear and ballistic missile programmes. In addition, three persons and six entities were added to the list of those subject to an asset freeze and travel restrictions.

EU Issues Statement in Support of JCPOA

On 16 October, in the wake of US President Trump’s decision not to certify Iran’s compliance with the Joint Comprehensive Plan of Action (JCPOA), the EU issued a [statement](#) saying that “it is committed to the continued full and effective implementation of all parts of the JCPOA”. Furthermore, that “the European Union considers President Trump’s decision not to certify Iran’s compliance with the Joint Comprehensive Plan of Action (JCPOA) as being in the context of an internal US process. The EU encourages the US to maintain its commitment to the JCPOA and to consider the implications for the security of the US, its partners and the region before taking further steps”.

EU Considers Further Sanctions on Myanmar/Burma

On 16 October, with respect to Myanmar/Burma, the Council of the EU issued a [statement](#) in which it stated that “the Council may consider additional measures if the situation does not improve but also stands ready to respond accordingly to positive developments”. In April, the EU [renewed](#) existing sanctions on Myanmar/Burma imposing an embargo on goods that might be used for internal repression.

European Commission Initiates Anti-dumping Investigation Against Imports of Electric Bicycles From China

On 20 October, the European Commission initiated [the new anti-dumping investigation against imports of electric bicycles from China](#). The product concerned is cycles with pedal assistance and auxiliary electric motors. The complaint was lodged by the European Bicycle Manufacturers Association, which claims that the imports of electric bicycles from China undercut and undersell the EU industry by substantial margins.

EU Renews Sanctions on Guinea and Moldova

On 23 October, the EU renewed existing sanctions on [Guinea](#) until 27 October 2018, and those on [Moldova](#) until 31 October 2018. It also published a notice to those on the Guinea list renewing their inclusion in the Annex to [Council Decision 2010/638/CFSP](#) and Annex II to [Council Regulation \(EU\) No 1284/2009](#), explaining that they may request that this be reconsidered by the EU Council before 30 June 2018 and can challenge the listing in the EU General Court.

EU Updates Sudan Sanctions List

On 25 October, the EU adopted [Council Implementing Decision \(CFSP\) 2017/1948](#) and [Council Implementing Regulation \(EU\) 2017/1942](#), updating information on its Sudan sanctions list concerning Mr Alnsiem (see Annex I to [Council Regulation \(EU\) No 747/2014](#)).

UK

UK Implements EU Sanctions on Mali

On 17 October, the UK published the Republic of Mali (European Union Financial Sanctions) Regulations 2017 ([SI 2017/972](#)). These follow [Council Regulation \(EU\) 2017/1770](#) of 28 September 2017, which imposed “travel restrictions and the freezing of funds and economic resources of certain of persons designated by the United Nations Security Council as responsible for or complicit in, or having engaged in, directly or indirectly, actions or policies that threaten the peace, security, or stability of Mali”. Sanctions on Mali deriving from the Council Regulation restrict designated persons, with the UK regulations implementing the enforcement and penalty provisions thereof.

UK Publishes Sanctions and Anti-money Laundering Bill

On 18 October, the [Sanctions and Anti-money Laundering Bill](#) was introduced to Parliament. It will provide the government with the legal powers it needs to continue implementing sanctions following Brexit and to maintain existing sanctions regimes that currently derive from EU law.

OFSI Publishes New Guidance to Help Charities and NGOs Comply with Financial Sanctions

On 19 October, the Office of Financial Sanctions Implementation (OFSI) published [new guidance](#) and a [FAQs factsheet](#) to assist charities and NGOs to understand their obligations under financial sanctions and the OFSI’s approach to licencing and compliance issues.

US

President Imposes New Economic Sanctions Against North Korea

On 20 September, President Trump issued an Executive Order (EO) authorising broad new economic sanctions against North Korea, by targeting those dealing with the country. The Order, [EO 13810](#), adds to the existing US embargo of North Korea by authorising the US Treasury’s Office of Foreign Assets Control (OFAC) to impose blocking sanctions against any person found to be participating in any one of numerous specified trade activities with or in the country. Those activities include operating in the construction, energy, financial services, fishing, information technology, manufacturing, medical, mining, textiles or transportation industries in North Korea; owning, controlling or operating a port in North Korea; engaging in significant import or export activities involving North Korea; and supporting activities of a person sanctioned under the EO or being owned or controlled, or acting on behalf of such a person.

In addition to these blocking sanctions, the EO restricts entry into the US of aircraft and vessels that have travelled to North Korea during the preceding 180 days. And, the EO authorises new financial sector sanctions, including blocking sanctions and restrictions on correspondent accounts of foreign financial institutions that support trade with North Korea or blocked persons from North Korea. In connection with the announcement of the new EO, OFAC published new [Frequently Asked Questions](#) and issued two General Licenses.

Trump Administration Permanently Lifts Sudan Sanctions

On 6 October, the Trump administration announced that it would permanently revoke economic sanctions against Sudan, effective 12 October 2017. The State Department published this decision in the Federal Register, [82 Fed. Reg. 47287](#), on 11 October 2017. This decision means that US companies can invest in Sudan and export their products and services to Sudan, subject to compliance with US export controls under International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR), which are not affected by the revocation of the sanctions. Further, effective 12 October 2017, all blocked assets are permanently unblocked; however, in many instances, officials will need some time to determine who has the rightful claim to the unblocked assets. The Darfur and South Sudan sanctions remain in effect. Thus, US persons are prohibited from engaging with any specially designated nationals designated under these programmes.

Our analysis on the removal of the sanctions is available [here](#).

Changes to the US’ Iran Policy and Additional Non-Nuclear Iran-related Designations

On 13 October, President Trump announced the results of his administration’s review of the US’ Iran policy, indicating at the same time that he would not “certify” to Iran’s compliance with the Joint Comprehensive Plan of Action (JCPOA) agreement. Since President Trump took office, he has “certified” to Iran’s compliance twice, so this is the first time that he did not “certify”. Failure to “certify” triggered a 60-day window during which Congress could vote to reimpose certain non-nuclear sanctions against Iran. The President also announced several additional policies, including efforts to amend the Iran Nuclear Agreement Review Act (INARA), under which the US Congress has continued oversight over JCPOA implementation. Under the INARA, the next time President Trump will decide on whether to certify Iran’s compliance is January 2018.

Shortly after President Trump’s speech, OFAC [announced](#) it had designated the Islamic Revolutionary Guard Corps (IRGC) under Executive Order (EO) 13224, “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism” and consistent with Section 105 of the Countering America’s Adversaries Through Sanctions Act. OFAC also designated [four entities](#) under EO 13382, which targets weapons of mass destruction proliferators and their supporters, for their support to the IRGC or Iran’s military.

On 30 October, OFAC amended the Global Terrorism Sanctions Regulations (GTSR) pursuant to Section 105 of the Countering America’s Adversaries Through Sanctions Act (CAATSA) of 2017. Section 105(b) requires the President to impose sanctions against the IRGC and foreign persons that are officials, agents, or affiliates of the IRGC. OFAC amended the GTSR to block the property and interests of foreign persons that OFAC identifies as officials, agents or affiliates of the IRGC. In conjunction with this amendment, OFAC has published new [Frequently Asked Questions](#).

Our analysis on CAATSA is available [here](#).

OFAC Releases Belarus General Licence

On 24 October, OFAC released a [general licence](#) temporarily authorising transactions involving certain Belarusian entities blocked pursuant to Executive Order (EO) 13405. However, the general licence does not permit the release of any property that is blocked pursuant to EO 13405. Unless it is extended or revoked, this general licence will expire on 30 April 2018.

President Reaffirms National Emergency Extending the Export Administration Act

By executive order on 17 August 2001 (EO 13222), President Bush acted to extend the Export Administration Act by declaring a national emergency under authority of the International Emergency Economic Powers Act. In EO 13222, the President stated that “the unrestricted access of foreign parties to US goods and technology and the existence of certain boycott practices of foreign nations, in light of the expiration of the Export Administration Act of 1979, constitute[d] an unusual and extraordinary threat to national security, foreign policy, and the economy of the US”. The Act was previously extended in August 1994 by President Clinton pursuant to EO 12924. On 15 August 2017, President Trump issued a [notice](#) continuing the national emergency and extension under EO 13222 for one year, effective 17 August 2017. The US Department of Commerce, Bureau of Industry and Security, updated the Federal Register accordingly, effective 3 October 2017. The rule update is procedural and does not change any right, prohibition or obligation under the Export Administration Act or the Export Administration Regulations, promulgated under the Act.

OFAC Updates Ukraine-/Russia-related CAATSA Guidance

On 31 October, pursuant to Title II of CAATSA, OFAC issued an amended version of [Directive 4](#). In addition, OFAC published new [FAQs](#) related to the updated Directive 4 and new FAQs related to CAATSA sections [223\(a\)](#), [226](#), [228](#) and [233](#).

Along with the OFAC updates, on 31 October 2017, the State Department released [guidance](#) concerning certain energy-related sanctions set forth in Sections 225 and 232 of CAATSA. In the [press release](#), the State Department explained that this guidance is intended to provide clarity about the sanctions implementation.

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Enforcement Action

OFAC Announces Settlement Agreement With BD White Birch Investment LLC

On 5 October, OFAC [announced](#) a settlement agreement with BD White Birch Investment LLC (White Birch USA), a Connecticut company, under which White Birch USA agreed to pay US\$372,465 to settle three apparent violations of the Sudanese Sanctions Regulations, which occurred in April and December 2013.

About Us

Our export controls and sanctions lawyers have the ability to provide advice 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 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, or email InternationalTradeCompliance@sqirepb.com for assistance.

Resources to Strengthen Compliance

We encourage you to visit our blog, [The Trade Practitioner](#), where you will find additional updates and information 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](#), which covers the International Traffic in Arms Regulations (ITAR) and the US Department of Commerce “600 Series”.

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations, nor should they be considered a substitute for taking legal advice.

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