

US

OFAC and JPMorgan Chase Bank Agree on Settlement

On October 5, 2018, the US Department of the Treasury, Office of Foreign Assets Control (OFAC) [announced](#) an agreement with JPMorgan Chase Bank, N.A. (JPMC) to settle potential civil liability arising from 87 apparent violations of the Cuban Assets Control Regulations, the Iranian Transactions and Sanctions Regulations, and the Weapons of Mass Destruction Proliferators Sanctions Regulations. According to OFAC, “the transactions were net settlement payments, of which a very small portion appears to have been attributable to interests of airlines that were at various times on OFAC’s List of Specially Designated Nationals and Blocked Persons (the “SDN List”), blocked pursuant to OFAC sanctions, or located in countries subject to the sanctions programs administered by OFAC.” Under the terms of the settlement agreement, JPMC agreed to pay a civil monetary penalty of US\$5,263,171.

Separately, OFAC issued a Finding of Violation (without penalty) to JPMC regarding violations of the Foreign Narcotics Kingpin Sanctions Regulations and the Syrian Sanctions Regulations. According to OFAC, “between August 4, 2011 and April 29, 2014, JPMC processed 85 transactions totaling \$46,127.04 and maintained eight accounts on behalf of six customers who were contemporaneously identified on the SDN List.”

Department of the Treasury Issues Iran-related Designations

On October 16, 2018, OFAC [announced](#) sanctions “against a vast network of businesses providing financial support to the Basij Resistance Force (Basij), a parliamentary force subordinate to Iran’s Revolutionary Guard Corps (IRGC).” According to OFAC, the Basij militia recruits, trains and deploys child soldiers to fight in IRGC conflicts across the region. Bonyad Taavon Basij, an Iran-based network, is comprised of at least 20 corporations and financial institutions ([list of Iran-related designations](#)).

OFAC Temporarily Extends Ukraine-related General Licenses

On October 12 and October 19, 2018, OFAC extended the expiration date of certain Ukraine-related General Licenses. Specifically, OFAC issued [General License 13E](#) and [13F](#), Authorizing Certain Transactions Necessary to Divest or Transfer Debt, Equity, or Other Holdings in Certain Blocked Persons, which extend the deadline for certain transactions with GAZ Group and with RUSAL PLC until December 12, 2018. In addition, OFAC issued [General License 14B](#), Authorizing Certain Activities Necessary to Maintenance or Wind Down of Operations or Existing Contracts with United Company RUSAL PLC, which extends the wind-down period until December 12, 2018. OFAC also issued [General License 16B](#), Authorizing Certain Activities Necessary to Maintenance or Wind Down of Operations or Existing Contracts with EN+ Group PLC or JSC EuroSibEnerg, which also extends the wind-down period until December 12, 2018. Lastly, OFAC issued [General License 15A](#), Authorizing Certain Activities Necessary to Maintenance or Wind Down of Operations or Existing Contracts with GAZ Group, which extends the wind-down period until December 12, 2018.

BIS Amends the EAR to Implement 2017 Wassenaar Plenary Agreements

The US Department of Commerce, Bureau of Industry and Security (BIS) has amended the Export Administration Regulations (EAR) to reflect the 2017 changes to the dual-use controls adopted during the 2017 Wassenaar Arrangement Plenary Meetings. As set forth in the October 24, 2018, announcement in the [Federal Register](#), the amendments revise 50 Export Control Classification Numbers (ECCNs) throughout the Commerce Control List (CCL), remove two ECCNs from Category 6 of the CCL, correct ECCN 3A991, and change ECCN 2B206 to maintain Nuclear Proliferation (NP) controls on certain items within that ECCN.

OFAC Issues Belarus General License 2F

On October 24, 2018, OFAC [announced](#) that, together with the Department of State, it is extending the Belarus [General License 2F](#)’s expiration date. The general license authorizes transactions with certain entities in Belarus pursuant to Executive Order 13405. However, the general license does not authorize the release of blocked property. The expiration date for the general license is October 25, 2019.

EU

EU Updates Its List of Sanctioned Entities

In October 2018, the EU decided to amend its list of sanctioned entities and persons in the following countries: Burundi, Guinea and North Korea. Further, the European Commission added new persons to sanctions directed against the ISIL (Da'esh) and Al-Qaida organizations, and removed restrictions imposed on one [Iraqi](#) entity. The up-to-date consolidated list of all entities and people subject to EU sanctions can be found on the website of the European Commission.

EU Introduces New Sanctions Regime Against Persons Involved in Proliferation and Use of Chemical Weapons

On October 15, 2018, the Council of the EU adopted [new sanctions](#) against people and entities involved in providing financial, technical or material support for or otherwise involved in any business transaction related to proliferation of chemical weapons. In particular, EU sanctions provide for the freezing of assets for sanctioned people/entities.

EU Officially Signs the Free Trade and Investment Protection Agreements With Singapore

On October 15, 2018, the Council of the EU [signed](#) the newly negotiated Free Trade and Investment Protection Agreements with Singapore. The free trade agreement provides for eliminating outstanding customs duties and other non-tariff barriers in trade in goods and services between both contracting parties. In addition, it contains chapters on intellectual property protection, investment liberalization, public procurement, competition and sustainable development. The investment agreement will replace 12 currently enforced bilateral investment treaties between EU member states and Singapore. The European Parliament will vote on the agreements in February 2019. Once approved, the EU-Singapore Free Trade Agreement will enter into force in 2019; however, the EU-Singapore Investment Protection Agreement will only enter into force after ratifications in all EU member states.

EU Extends Sanctions Against Libya, Guinea, Moldova and Burundi

The EU prolongs its sanctions regime concerning:

[Libya until April 2, 2019](#)

[Guinea until October 27, 2019](#)

[Certain leaders of the Transnistrian region of the Republic of Moldova until October 31, 2019](#)

[Burundi until October 31, 2019](#)

[ISIL \(Da'esh\) and Al-Qaida until October 31, 2019](#)

UK

UK Updates Its Guidance on Exporting to Iran

In light of the US nuclear-related sanctions being re-imposed on Iran, the UK has updated its [guidance](#) on exporting to, and doing business in, Iran. The US sanctions follow the US withdrawal from the Joint Comprehensive Plan of Action ("Iran Nuclear Deal") on May 5, 2018.

The UK government has stated in the guidance and publicly that it continues to fully support the expansion of its trade relationship with Iran and encourages UK businesses to take advantage of the commercial opportunities that arise. The guidance confirms that the re-imposition of the US sanctions may have commercial and legal implications for UK businesses dealing with Iran, and legal advice should be sought where necessary.

The UK continues to suspend nuclear sanctions, but has kept some sanctions in place, particularly related to human rights and proliferation.

ECJU Reports on Licensing Data

The Export Control Joint Unit (ECJU) has published [licensing statistics](#) for each quarter since 2015. Each report provides users with data on both licensing decisions and processing times for all license applications.

The most recent processing statistics, covering the period April 1 to June 30, 2018, show that 83% of applications for standard individual export licenses (SIELs) were processed within the ECJU's target time of 20 working days, with 96% of applications for SIELs processed within 60 working days. To assist in manipulating data, spreadsheets have been produced, as well as a statistical commentary that summarizes trends in the data. Users can also download data relating to specific goods, license types and destinations on the Department for International Trade [website](#).

OFSI Updates Financial Sanctions

The Office of Financial Sanctions Implementation (OFSI), part of the HM Treasury, working toward ensuring that financial sanctions are properly implemented and enforced in the UK, has updated a number of financial sanctions that are currently in force. The recent updates are as follows:

[Financial sanctions, North Korea \(Democratic People's Republic of Korea\)](#)

[Financial sanctions, Libya](#)

[Financial sanctions, Republic of Guinea](#)

[Financial sanctions, Burundi](#)

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@squirepb.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, organizations 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”.

Contacts

EU

Robert MacLean

Partner, Brussels

T +32 2 627 7619

E robert.maclean@squirepb.com

Wojciech Maciejewski

Associate, Brussels

T +32 2 627 7612

E wojciech.maciejewski@squirepb.com

Simon Lucas

Senior Associate, Leeds

T +44 113 284 7208

E simon.lucas@squirepb.com

US

George Grammas

Partner, Washington DC/London

T +1 202 626 6234

T +44 20 7655 1301

E george.grammas@squirepb.com

Daniel Waltz

Partner, Washington DC

T +1 202 457 5651

E daniel.waltz@squirepb.com

Christopher Skinner

Principal, Washington DC

T +1 202 626 6226

E christopher.skinner@squirepb.com

Karen Harbaugh

Partner, Washington DC

T +1 202 457 6485

E karen.harbaugh@squirepb.com

International Trade Practice co-leaders: Frank Samolis (partner, Washington DC) and George Grammas

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