

US

OFAC Issues Ukraine-/Russia-related General License

On 31 July 2018, the Treasury Department, Office of Foreign Assets Control (OFAC) issued Ukraine-/Russia-related [General License 13C](#), which completely replaced and superseded General License 13B. General License 13C authorises certain transactions which are necessary to divest or transfer debt, equity or other holdings in companies designated to the OFAC Specially Designated Nationals (SDN) List on 6 April 2018. The new General License 13C extends the expiration date for the general licence to 12:01 a.m. on 23 October 2018. Additionally, OFAC updated its [FAQs](#) to replace any mention of General License 13B with General License 13C.

OFAC Publishes Advisory of North Korea Supply Chain

On 23 July 2018, OFAC published a [joint advisory](#) from the Departments of State, Treasury and Homeland Security relating to sanctions evasion tactics being used by North Korea that could create potential sanctions compliance risks for businesses under either US law or United Nations sanctions authorities.

OFAC Issues Venezuela General License 5

On 19 July 2018, OFAC issued [Venezuela General License 5](#). This license authorises certain dealings by US Persons with the Petroleos de Venezuela SA 2020 8.5 Percent Bond that would otherwise have been prohibited under [Executive Order \(EO\) 13835](#) from 21 May 2018. Additionally, OFAC has provided two new [FAQs](#) dealing with the general licence and the EO. The first FAQ explains why OFAC issued this general licence, and the second FAQ answers the question of whether EO 13835 prohibits a US person with a legal judgment against the Government of Venezuela from attaching and executing against Venezuelan government assets.

BIS Terminates Denial Order from 15 April 2018

On 13 July 2018, Secretary of Commerce Wilbur Ross [announced](#) that Zhongxing Telecommunications Equipment Corporation and ZTE Kangxun Telecommunications Ltd. (collectively, ZTE) placed US\$400 million in escrow at a US bank. Shortly after, the Department of Commerce [terminated the Denial Order](#) from 15 April 2018 executed against ZTE (the "New Order"). The New Order acknowledges that ZTE fulfilled its obligation under the Superseding Order by timely paying the US\$1 billion and thus, under the New Order, Department of Commerce, Bureau of Industry Security (BIS) has agreed to terminate the original Denial Order of export privileges. The US\$1.4 billion paid under this settlement agreement is in addition to the US\$892 million paid to the US government by ZTE under the March 2017 settlement agreement.

This follows the Acting Assistant Secretary issuing a Superseding Order on 8 June 2018 that approved a settlement agreement between ZTE and BIS, whereby ZTE agreed to pay the Commerce Department US\$1 billion in settlement after ZTE notified BIS that it had made false statements to BIS on 30 November 2016 and 20 July 2017.

BIS Solicits Public Comments on Section 232 Investigation Into Uranium Imports

On 25 July 2018, BIS published in the *Federal Register* a "[Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Uranium](#)," pursuant to the Trade Expansion Act of 1962, in order to determine the effects on the national security of uranium imports. Interested parties must submit comments by 10 September 2018.

EU

EU Extends Sectoral Sanctions against Russia

The Council of the EU [decided](#), on 5 July, to prolong the application of the EU sectoral sanctions imposed on Russia in response to the situation in Ukraine until 31 January 2019.

EU Removes Restrictions on Certain Iraqi Entities

In July, following decisions of the Sanctions Committee of the United Nations Security Council, the European Commission lifted the freeze of funds and economic resources sanctions imposed on certain Iraqi entities, including some state owned enterprises ([Commission Implementing Regulation \(EU\) 2018/979](#), [Commission Implementing Regulation \(EU\) 2018/1025](#) and [Commission Implementing Regulation \(EU\) 2018/1066](#)).

EU Amends and Extends Its Sanctions to New Persons and Entities in Certain Third Countries

In July, the EU decided to amend the list of persons and entities subject to sanctions imposed in relation to the situation in North Korea ([Council Implementing Regulation \(EU\) 2018/1009](#) and [Council Implementing Regulation \(EU\) 2018/1074](#)) and [Libya](#). The EU also [sanctioned](#) several Russian entities involved in the contraction of the Kerch Bridge connecting Crimea with the Russian mainland. Further, the European Commission [added](#) new persons and [amended](#) some entries related to sanctions directed against the ISIL (Da'esh) and Al-Qaida organizations.

EU Introduces Sanctions Framework in Response to the Situation in Maldives

On 16 July, the EU adopted the sanctions framework against Maldives. This provides for the freeze of assets and travel bans for persons or entities involved in undermining the rule of law, inclusive political solution, violence, repression or human rights violations or abuses. The exact lists of sanctioned individuals and entities have not been decided by the EU bodies ([Council Decision \(CFSP\) 2018/1006](#) and [Council Regulation \(EU\) 2018/1001](#)).

UK

UK Government Launches Consultation on National Security White Paper

The white paper, "[National security and investment: proposed legislative reforms](#)", published on 24 July 2018, explains how the UK government intends to address the risk associated with hostile parties acquiring ownership of, or control over, businesses or other entities that have national security implications.

The white paper proposes measures that will strengthen the government's ability to investigate and, where necessary, intervene in transactions in order to prevent or mitigate national security risks.

Amongst the key measures proposed in the white paper is a power for the government to "call-in" investments which may raise national security concerns. If the call-in power is used then the government will have a minimum period of 30 days in which to undertake a full national security assessment on a proposed transaction. If the assessment concludes that national security is at risk, then the government will have the power to impose suitable remedies, including the ability to block or unwind a transaction if necessary.

The consultation on the white paper will last 12 weeks and will close on 16 October 2018. Interested parties are invited to provide comments by email at nsiireview@beis.gov.uk prior to this deadline.

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OFSI Updates Financial Sanctions

The Office of Financial Sanctions Implementation (OFSI), which is part of HM Treasury and works to ensure that financial sanctions are properly implemented and enforced in the UK, has updated a number of financial sanctions currently in force. The recent updates are as follows: [Financial sanctions, North Korea \(Democratic People's Republic of Korea\)](#), [Financial sanctions, South Sudan](#), [Financial sanctions, Iraq](#), [Financial sanctions, ISIL \(Da'esh\) and Al-Qaida organisations](#) and [Financial sanctions, Syria](#).

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 intuitions 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, 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".