

# OVERVIEW OF BIS EXPORT CONTROLS AND OFAC SANCTIONS PROGRAMS

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## Bureau of Industry And Security (BIS)

BIS is within the U.S. Department of Commerce.

- Export Administration Regulations (EAR) (15 C.F.R. Parts 730-799), (issued under Export Administration Act of 1979, 50 U.S.C. App. §§2401-2420, and maintained by Presidential order under the International Emergency Economic Powers Act (IEEPA)).
- In general, the EAR control exports of “dual use” items (those with both commercial and military applications), but also purely commercial items without an obvious military use.
- It is important to keep in mind that “export” can be by any means (e.g., common carrier, regular mail, telephone, Internet).

## What is “Subject to the EAR” and thus under BIS’s jurisdiction?

### Part 1: Items Subject to the EAR

- Item = commodities, software, and technology (technical data and technical assistance)
- Items Subject to the EAR =
  - All items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one foreign country to another – regardless of origin;
  - All U.S.-origin items wherever located; and
  - Certain foreign-made commodities that include U.S.-origin content (commodities, software, technology), if the proportion of U.S. content is above EAR-specified *de minimis* level.

## What is “Subject to the EAR” and thus under BIS’s jurisdiction?

### Part 1: Items Subject to the EAR (cont’d)

- Items NOT Subject to the EAR =
  - Items that are exclusively controlled for export or reexport by other federal agencies (*e.g.*, State, Treasury (OFAC), Nuclear Regulatory Commission, Energy, USPTO);
  - Publications, informational materials, and certain publicly available technology and software (per EAR specifications); and
  - Foreign made items that have less than the applicable *de minimis* percentage of controlled U.S. content, and which are located outside of the United States.

## What is “Subject to the EAR” and thus under BIS’s jurisdiction?

### Part 2: Activities Subject to the EAR

- Exports out of the United States.
- Reexports from one foreign country to another foreign country.
- Release of technology or software in a foreign country.
- Release of technology or source code subject to the EAR to a foreign national. (In U.S., this can be a deemed export; in a third country, this can be a deemed reexport).

Release for export = (i) visual inspection by foreign nationals of U.S.-origin equipment and facilities; (ii) oral exchanges of information in the United States or abroad; or (iii) application to situations abroad of personal knowledge or technical experience acquired in the United States.

## Determination of License Requirement under the EAR: Question 1

### ***Is the item included on the Commerce Control List?***

- The Commerce Control List (CCL) (EAR, Part 774, Supplement No. 1) is composed of Export Control Classification Numbers (ECCN).
- The ECCN is an alpha-numeric code, *e.g.*, 3A981, that describes a particular item and identifies the controls placed on that item.
- The CCL is divided into ten broad categories. Each category is subdivided into five product groups. These categories and groups provide the basic structure of the ECCNs.
- Technology used to create, design or manufacture an item is classified in the same CCL category as the item.
- An item subject to the EAR but not included in the CCL (*i.e.*, no ECCN describes the item) is designated “EAR99”.

## Commerce Control List (CCL)

### *CCL Categories:*

- 0: Nuclear materials, Facilities and Equipment
- 1: Materials, Chemicals, Microorganisms and Toxins
- 2: Materials Processing
- 3: Electronics
- 4: Computers
- 5: Telecommunications and Information Security
- 6: Sensors and Lasers
- 7: Navigation and Avionics
- 8: Marine
- 9: Propulsion Systems, Space Vehicles and Related Equipment

### *Product Groups:*

- A: Systems, Equipment and Components
- B: Test, Inspection and Production Equipment
- C: Material
- D: Software
- E: Technology

## Determining the Applicable ECCN

**Example:** item = CNC laser cutting equipment. First, review CCL Category 2 (Materials Processing) and its Product Group B (Test, Inspection and Production Equipment). Then, (along with technical specifications for the item) review ECCNs beginning with “2B”. In this hypothetical, the item falls within the scope of ECCN 2B001.e.1.c. (excerpts below):

**ECCN 2B001:** Machine tools and any combination thereof, for removing (or cutting) metals, ceramics or “composites”, which, according to the manufacturer’s technical specifications, can be equipped with electronic devices for “numerical control”; and specially designed components as follows: ...

e. Machine tools for removing metals, ceramics or “composites”, having all of the following:

e.1. Removing material by means of any of the following:

...

e.1.c. “Laser” beam; and

e.2. Having two or more rotary axes and all of the following:

e.2.a. Can be coordinated simultaneously for “contouring control”; and

e.2.b. A positioning accuracy of less (better) than 0.003°

## Determining the Applicable ECCN

- As an alternative to self-classification, an exporter can request a classification ruling from BIS (EAR Part 748). If a business pursues this route, it should have appropriate professional, including legal, assistance.

## Determining the Applicable ECCN (Cont'd)

### **ECCN 2B001 (excerpts):**

#### **License Requirements**

Reason for control: NS [National Security], NP [Nuclear Nonproliferation], AT [Anti-terrorism]

#### **Controls**

NS applies to entire entry .....NS Column 2.

NP applies to 2B001.a, .b, .c,  
and .d [with some exceptions] .....NP Column 1.

AT applies to entire entry .....AT Column 1.

#### **License Exceptions**

LVS: N/A

GBS: N/A

CIV: N/A

## Determination of License Requirement under the EAR: Question 2

### *What Is the Country of Destination?*

- After finding that a particular ECCN describes the item, the exporter must determine if the “reasons for control” for that ECCN trigger a license requirement for exports to the specific country of ultimate destination.
- This is done by reviewing the Commerce Country Chart (EAR Part 738, Supplement No. 1), which contains columns that correspond to the “reasons for control” identified for each ECCN in the CCL (*e.g.*, National Security (NS), Anti-Terrorism (AT)).
- If the destination country contains an “X” in a column for a “reason for control” identified in the ECCN that applies to the item to be exported, that indicates that a license is normally required, *i.e.*, an export of that item to that country carries a “list-based” license requirement.
- If no X appears, there often is no license requirement, but need to review other portions of the EAR for other possible sources of license requirements.

# Commerce Country Chart

## (Reason for control)

(Source: Derived from 15 C.F.R. Part 738, Supp No. 1)

Countries	Chemical and biological weapons			Nuclear non-proliferation		National Security		MT	Regional Stability		FC	Crime control			Anti-terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
Australia	X					X		X	X							
Brazil	X	X				X	X	X	X	X	X	X		X		
India	X	X	X	X		X	X	X	X	X		X		X		
Mexico	X	X		X		X	X	X	X	X	X	X		X		

## Determination of License Requirement under the EAR: Question 3

### ***Does a License Exception apply?***

- Even if the ECCN and the Country Chart indicate that a license is required, if one of the EAR License Exceptions applies, a license may not be necessary.
- EAR Part 740 describes 16 License Exceptions (*e.g.*, low value shipment (LVS), technology and software - unrestricted (TSU)). Applicability is highly fact-specific, and can vary based on country of ultimate destination.
- Each ECCN will identify whether certain exceptions are available or not available. These are “list-based” License Exceptions.
- Exporters should also review the full list of License Exceptions in EAR Part 740 to determine if other exceptions could apply to a transaction.

## Determination of License Requirement under the EAR: Questions 4-5

***Who will be receiving the item?***

***What is the intended end-use for the item?***

- The EAR prohibits certain exports, reexports, and transfers of any item subject to the EAR that the exporter knows (broadly defined) is destined for specified end-users and end-uses (*e.g.* such as the design, development, production, or use of nuclear explosive devices, missiles, and chemical or biological weapons) unless licensed by BIS.
- Identified individuals and organizations are prohibited from receiving U.S. exports and others may only receive goods if they have been licensed.
- End-use and end-user controls can apply to items that do not normally require a license based on the ECCN and Commerce Country Chart comparison and to items not on the CCL (EAR99 items).
- The applicability of the several end-use controls described in EAR Part 744 can vary depending on whether the country of destination is included within a specified “Country Group.”

## Determination of License Requirement under the EAR: Question 4-5 (continued)

- One of the end-use controls described Part 744 of the EAR is a China-specific end-use restriction.
- This restriction prohibits, without a license, the export, reexport, or transfer of any item subject to the EAR that is listed in a supplement to Part 744 to China if the exporter, reexporter or transferor knows, has reason to know, or has been informed by BIS that the item is or may be intended, entirely or in part, for a military end-use in China.
- “Military end-use” is specifically defined in section 744.21 of the EAR.

## Determination of License Requirement under the EAR: Question 4-5 (cont'd)

### *Who will be receiving the item?*

- The exporter is required to cross-check the party who will be receiving the proposed export against several lists maintained by BIS and other administering agencies:

**Debarred List:**

<http://www.pmdtc.state.gov/licensing/debar.html>

**Denied Persons List:**

<http://www.bis.doc.gov/dpl/thedeniallist.asp>

**Entity List:**

<http://www.bis.doc.gov/entities/default.htm>

**Specially Designated Nationals and Blocked Persons List:**

<http://www.treas.gov/offices/enforcement/ofac/sdn/>

**The Unverified List:**

[http://www.bis.doc.gov/enforcement/unverifiedlist/unverified\\_parties.html](http://www.bis.doc.gov/enforcement/unverifiedlist/unverified_parties.html)

Here also, having appropriate professional, including legal, help could be important.

## “Deemed Export” Rule

- Certain types of activities that are considered “exports” and fall within export control and licensing requirements, even if they physically transpire within the borders of the United States.
- An export of technology or source code subject to the EAR is “deemed” to take place when it is released to a “foreign national” within the United States. (Limitations apply for certain encryption source code and object coder software).
- Commonly arises in academia (foreign nationals participate in university research programs, or government-funded research and developments projects that involve the release of technical data).
- Technology considered “released” for purposes of the “deemed export” rule through visual inspection (*e.g.*, reading technical specifications, blueprints or plans), oral exchanges of controlled technology, or when technology is made available by practice or application under guidance of persons with knowledge of the technology.

## “Deemed Export” Rule (cont’d)

- The deemed export rule does not apply to (1) persons lawfully admitted for permanent residence in the United States and (2) does not apply to persons who are “protected individuals” under the Immigration and Naturalization Act (8 U.S.C. §1324b(a)(3)).
- As with exports of items, review classification, review country of nationality against Commerce Country Control Chart, and applicability of license exceptions.

## If a License is Required

### *Who can apply?*

- Only “a person in the United States” may apply to BIS for a license to export items from the United States. The applicant must be the exporter (generally, “the U.S. principal party in interest with the authority to determine and control the sending of items out of the United States.”).
- In certain transactions (reexports, routed export transactions), the “duly authorized U.S. agent of the foreign principal party in interest” may apply for a license.

## If a License is Required (cont'd)

### *Electronic filing requirement.*

- With very few exceptions, BIS requires that all export and reexport license applications and their accompanying documents be filed electronically using BIS's Simplified Network Application Processing system (SNAP-R).
- The BIS web site contains extensive instructions and guidance on using SNAP-R.
- Use of the SNAP-R system requires prior authorization from BIS and assignment of PINs.
- Classification requests (regarding the proper ECCN for an item (EAR §748.3(b)) and advisory opinions (on whether a license is required and likely to be granted (EAR §748.3(c))) may also be submitted electronically.

## If a License is Required (cont'd)

### ***Supporting documentation for license application:***

Depending on the item, its classification, its destination, the reason for its control under the EAR, and its value, certain documentation must be submitted with the application. (15 C.F.R. §§748.9-11) For example:

- Import Certificate or End-User Statement (applicant must request that importers obtain these documents from government entities in their countries)
- Statement by Ultimate Consignee and Purchaser (identifying its use and/or disposition of the item)

## Special License Programs

Example: Authorization Validated End-User (VEU) (EAR §748.15)

- This program permits exports, reexports or transfers of specified items to “validated end-users” in China and India under a “general authorization” instead of a license. Eligible items must be for civil end-uses.
- Currently, there are seven validated end-users in China, and one in India, each with approved lists of items (by ECCN).
- Requests to authorize an end-user must include extensive information about the prospective validated end-user and the items to be exported, as well as certifications by the end-user regarding compliance with the VEU requirements (end-use and destination limitations, record-keeping, on-site reviews, etc.)

## EAR Recordkeeping Requirements

- Parties whose transactions are subject to the EAR must comply with several recordkeeping requirements. In general, the identified records must be retained for five years from the latest of the following dates: (1) the export from the United States; (2) any known reexport, transshipment, or diversion of such item; (3) any other termination of the transaction. The records that must be retained will include:
  - Export control documents (*e.g.*, a license (including application); Automated Export System (AES) record filed (by the exporter or a freight forwarder) in connection with shipments to any country; a Dock Receipt or bill of lading; documents prepared and submitted by exporters and agents.)
  - Other records including memoranda, notes, correspondence, contracts, invitations to bid, books of account, financial records, and restrictive trade practice or boycott documents and reports.
- In addition to these records, several sections of the EAR create additional recordkeeping requirements, often in connection with item/country/end-use-specific licensing situations.

## Export Clearance Requirements

- The exporter is responsible for complying with the Bureau of the Census (“Census”) Foreign Trade Regulations (“FTR”). In particular, the exporter must file complete and accurate information regarding the export transaction through U.S. Customs’ Automated Export System (“AES”). This filing may take place either directly by the exporter or through an agent (*e.g.*, a freight forwarder).
- The basic information that must be filed (“Electronic Export Information”) includes: the names and addresses of the parties to a transaction; the ECCN that applies to the exported item (when required); the description, quantity and value of the items exported; and the license authority for the export.
- Census can impose civil penalties of up to \$10,000 per violation for failing to file or filing false or misleading reports through the AES. Census can also impose criminal penalties of up to \$10,000 and/or 5 years in prison for knowingly failing to file or for knowingly submitting false or misleading information on an export transaction through the AES.

## Antiboycott Laws

- The EAR includes prohibitions on U.S. firms' cooperation in foreign boycotts that the United States does not sanction. In practice, the Arab League boycott of Israel is the focus of the antiboycott rules, but the rules apply to all boycotts imposed by foreign countries that are unsanctioned by the United States.
- The antiboycott provisions of the EAR (Part 760) apply to the activities of "United States persons" in the interstate or foreign commerce of the United States taken with intent to comply with, further, or support an unsanctioned foreign boycott.
- In this context, the term "United States person" includes all individuals, corporations and other entities resident in the United States, including the permanent U.S. affiliates of foreign entities. In some circumstances, U.S. citizens abroad can be covered, as well as the "controlled in fact" affiliates of U.S. entities.

## Antiboycott Laws

- In summary, under Part 760 of the EAR, a U.S. person may not:
- (1) refuse, knowingly agree to refuse, require any other person to refuse, or knowingly agree to require any other person to refuse, to do business with or in Israel;
- (2) furnish or knowingly agree to furnish information concerning his or any other person's past, present or proposed business relationships with or in Israel, or with an any other person who is
- known or believed to be restricted from having any business relationship with or in a boycotting country (a blacklisted person);
- (3) refuse to employ or otherwise discriminate against any individual (or corporation) who is a United States person on the basis of race, religion, sex, or national origin;
- (4) furnish information about the race, religion, sex, or national origin of any United States person;
- (5) furnish or knowingly agree to furnish information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports a boycotted country; or
- (6) honor, confirm, or otherwise implement a letter of credit which contains a condition or requirement, compliance with which is prohibited by Part 760 of the EAR. Similarly, a U.S. person shall not be obligated to pay, honor or otherwise implement such a letter of credit.

## Antiboycott Laws

### Reporting Requirements and Penalties

- In general, and with many exceptions, a U.S. person who receives a request to take any action which has the effect of furthering or supporting a restrictive trade practice or boycott must report such request to BIS. Required reporting must be done on a quarterly basis, whether or not the U.S. person intends to comply with the request.
- Non-compliance with the EAR anti-boycott provisions can result in severe penalties, both civil (up to \$250,000 or 2x the transaction value per violation) and criminal (up to \$1 million and 20 years imprisonment) as authorized under IEEPA.

Separate from the EAR requirements, U.S. taxpayers (for themselves and members of a U.S. corporation's "controlled group") must file International Boycott Reports with the IRS to report operations in, with, or related to, countries participating in boycotts not sanctioned by the U.S. government.

## Office of Foreign Assets Control (OFAC)

- OFAC is part of the Department of the Treasury.
- OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries, organizations, entities, and individuals. (31 C.F.R. Parts 500-598).
- Regulations issued under Trading With the Enemy Act (50 U.S.C. App. §§ 1-44) or by the President under authority delegated under the International Emergency Economic Powers Act (50 U.S.C. §1701, et seq.)
- The OFAC sanctions programs are implemented through restrictions on imports and exports, prohibitions on financial transactions, freezing of assets, and other means.
- OFAC prohibitions may preempt consideration by BIS and DDTC of a license application for a proposed export transaction.

## OFAC Sanctions Programs

The several OFAC sanctions programs can be grouped into two general categories:

Comprehensive programs: these target trade, investment, and commercial activities with certain geographic regions and governments. Such programs currently apply to:

- Cuba
- Iran
- Sudan

## OFAC Sanctions Programs

Non-Comprehensive Programs ( (1) limited country-specific programs; (2) programs targeting groups or individuals who have contributed to conflicts in or undermined democratic process in certain countries, and (3) programs targeting individuals or entities involved in or supporting terrorism, drug trafficking and other activities):

- Balkans
- Belarus
- Burma (Myanmar)
- Cote d'Ivoire
- Democratic Republic of the Congo
- Iraq
- Liberia (Former Regime of Charles Taylor)
- Persons Undermining the Sovereignty of Lebanon
- North Korea
- Somalia
- Syria
- Zimbabwe
- Counter-Terrorism Sanctions Program
- Non-Proliferation Sanctions Program
- Counter-Narcotics Trafficking Sanctions Program
- Diamond Trading Sanctions Program

## “Persons” Subject to OFAC Sanctions Programs

- Most country-specific OFAC sanctions programs apply to actions by “United States persons,” a term which can result in extraterritorial application of the sanctions rules.
- For example, OFAC Iran rules define this term as “any United States citizen [*i.e.*, wherever located], permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States.”
- The OFAC Cuba sanctions have a broader application than most other programs. For example, OFAC Cuba rules can apply to a corporation, wherever organized or doing business, that is owned or controlled by a U.S. citizen or a U.S.-organized entity.
- The OFAC regulations also prohibit any person subject to the jurisdiction of the United States from dealing in property of Cuban nationals, regardless of where such dealing takes place.

## Comprehensive Sanctions Programs

In general, OFAC comprehensive sanctions programs (those for Cuba, Iran, Sudan) prohibit:

- Exports from the United States (direct or indirect)
- Imports into the United States (direct or indirect)
- Other related transactions or dealings. Example (Iran): “purchasing, selling, transporting, swapping, brokering, approving, financing, facilitating, or guaranteeing.”
- Attempts to evade or avoid the sanctions

The comprehensive sanctions programs apply to transactions involving most goods, technology and services. However, OFAC may authorize otherwise prohibited transactions, either by a general license contained within the regulations for a particular program, or by a specific license issued by OFAC.

# Cuba

## Notable features:

- BIS has authority to license exports and reexports of certain items subject to the EAR. However, a license from OFAC is required for travel, financial activities, and services of U.S. persons in connection with BIS-licensed transactions.
- New categories of permissible exports have been added in recent years. These include:
  - Lifting of restrictions on certain family visits to Cuba
  - Lifting of restrictions on certain family remittances
  - Permitting telecommunications service to individuals in Cuba and telecommunications payments to Cuba under certain circumstances

# Iran

## Notable features:

- OFAC Iran regulations prohibit “the reexportation from a third country, directly or indirectly, by a person other than a United States person, of any goods, technology or services that have been exported from the United States is prohibited, if:
  - (1) Undertaken with knowledge or reason to know that the reexportation is intended specifically for Iran or the Government of Iran; and
  - (2) The exportation of such goods, technology, or services from the United States to Iran was subject to export license application requirements under any United States [export control] regulations ....”
- Exceptions can apply for goods or technology “substantially transformed” outside the United States, or goods and technology incorporated into a foreign-made product outside the United States if the aggregate value of the U.S. content is less than 10% of the foreign product.
- [OFAC Sudan regulations contain a similar re-exportation prohibition.]

# Iran

## Notable features (cont'd):

- Numerous Iranian banks (including their foreign affiliates) and other entities have been designated and blocked.
- In 2008, OFAC designated the Islamic Republic of Iran Shipping Lines (a global entity providing a range of transportation services), several of its non-Iran-based affiliates, and more than 100 vessels owned by those entities.
  - Exporters and their shippers and freight forwarders must pay particular care not to charter or book cargo on the identified vessels. Ship names have been changing – search by unique IMO Number, not name.

# Sudan

Notable feature: geographic limitation

- With few exceptions (including for donated humanitarian articles), the export or reexport of goods, technology, or services from the United States to “non-Specified Areas of Sudan” are prohibited without a license from OFAC. Also applies to U.S. imports from those areas.
- OFAC rules do not prohibit commercial exports, imports or humanitarian assistance with respect to the “Specified Areas of Sudan,” (Southern Kordofan/Nuba Mountains State, Blue Nile State, Abyei, Darfur, and marginalized areas in and around Khartoum) as long as they do not involve any property or interest in property of the Government of Sudan, or transshipment of goods or financial services through non-Specified Areas of Sudan.
- Also, U.S. persons are prohibited from engaging in any transactions or activities related to the petroleum or petrochemical industries anywhere in Sudan without authorization from OFAC.

## OFAC Limited Country-Focused Programs Examples: Syria and North Korea

### Notable features:

- Syria: BIS requires a license for export or reexport to Syria of all items subject to the EAR, except food and medicine classified as EAR99. A BIS license is also required for the “deemed” export” and “deemed reexport” of any technology or source code on the CCL to a Syrian foreign national. However, such license applications are subject to a general policy of denial. BIS will consider applications for certain transactions, including those related to U.S. government functions, parts related to aircraft safety; and certain telecommunications equipment.
- North Korea: A license from BIS is required to export or reexport most items subject to the EAR. BIS will consider such license applications on a case-by-case basis, but certain categories of items are subject to a general policy of denial: luxury goods; arms and related materiel; items subject to nuclear proliferation and missile technology controls.
  - OFAC sanctions apply to transportation involving North Korean vessels and imports from North Korea.
- The Syria and North Korea trade embargoes are enforced largely by BIS, not OFAC.

## Other OFAC Sanctions Programs

*E.g.*, Counter-Narcotics Trafficking Sanctions Program,  
Liberia/Charles Taylor Sanctions Program

- These sanctions programs are generally enforced through the identification of targeted persons and entities on the SDN List.
- Transactions between U.S. Persons and SDNs are prohibited, as is the facilitation by U.S. Persons of transactions with SDNs.
- Property or interests in property of persons on the SDN List are “blocked and may not be transferred, paid, exported, withdrawn or otherwise dealt in.” As a result, if such property or interests come into a U.S. Person’s control, that property must generally be held in a blocked account; reporting requirements apply.

## OFAC Enforcement

- In October 2007, the President signed into law the IEEPA Enhancement Act which increased the maximum civil penalty applicable to violations of orders or regulations issued under IEEPA, which includes most OFAC sanctions regulations. (IEEPA is the current authorizing statute for the EAR, as well.)
- As a result, OFAC can apply civil penalties in an amount not to exceed the greater of \$250,000 or twice the amount of the transaction -- for each violation.
- In addition, criminal penalties for violations of the IEEPA –based OFAC regulations can result in a fine up to \$1,000,000, and prison terms of up to 20 years.
- Cuba sanctions are administered under a different statute, the Trading with the Enemy Act, thus violations of the OFAC Cuba regulations can result in civil penalties up to \$65,000 per violation, and criminal penalties up to \$1,000,000 in corporate fines, \$250,000 in individual fines, and prison terms of up to 10 years.
- In November 2009, OFAC issued revised Enforcement Guidelines – the analysis that OFAC will follow in determining the appropriate enforcement response to violations of sanctions programs.
  - Includes guidance on voluntary self-disclosures and other mitigating (or aggravating) factors relevant to the penalty to be applied.

## Recent Changes to OFAC Sanctions Programs

- In March 2010, OFAC revised its sanctions regulations regarding Iran, Sudan, and Cuba to add general licenses authorizing the export “certain personal Internet-based communications services – such as instant messaging, chat and email, and social networking” to these countries.
- The changes also permit the exportation of related software to Iran and Sudan. (Exports of goods and technology, including software, to Cuba are separately licensed by BIS.)
- Objective: “to ensure that individuals in these countries can exercise their universal right to free speech and information to the greatest extent possible.”

Quoted text from Treasury press release: <http://www.treas.gov/press/releases/tg577.htm>

## New legislation could result in changes to the OFAC Iran sanctions (and other export controls)

- S. 2799 (the “Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2009,” passed in January 2010) would, among other changes, expand OFAC sanctions’ application with respect to foreign subsidiaries of U.S.-organized corporations.
- H.R. 2194 (the “Iran Refined Petroleum Sanctions Act of 2009” passed in December 2009) was focused on preventing sales that assist the Iranian petroleum industry and would not require this change in the extraterritorial reach of the OFAC sanctions.
- These two bills are currently being reconciled through a House-Senate conference.

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