

"OFAC & Life Comes At You Fast"



**2011 Mid-Atlantic
Anti-Money Laundering Conference
Wednesday July 27, 2011**



OFAC
Office of Foreign Assets Control

New Sanctions Program - Libya

- Targets Government of Libya, including:
 - Muammar Qadhafi, his children, and associates



- Government of Libya entities



New Sanctions Program - Libya

- Over \$37 billion in assets seized so far
 - Largest blocking of any Treasury sanctions program
- Biggest targets are securities and investments
 - Government of Libya has extensive investments across Africa and Europe in various sectors
- U.S. Treasury actions complement those of the UN, UK, and European Union



What is CISADA?

Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010

Passed on July 1, 2010

Increased U.S. authority to target Iran:

- State Department → energy sector
- Treasury Department → financial sector



Implementing regulations on August 16, 2010 – the Iranian Financial Sector Regulations, 31 C.F.R. Part 561

What Does CISADA Do?

Section 104(c) authorizes Treasury to name and possibly sanction financial institutions who knowingly engage in one or more of the following:

- *Facilitating the efforts of the GOI to acquire WMD, delivery systems for WMD, or provide support for terrorism;*
- *Facilitating the activities of parties designated by UNSC;*
- *Engaging in money laundering or facilitating efforts by any Iranian financial institution (including the Central Bank of Iran) to carry out such activities;*
- *Facilitating a significant transaction or transactions, or providing significant financial services for the IRGC, any of its agents or any financial institution designated by OFAC under its WMD or Terrorism programs.*

CISADA - Enhancing Previous Iran Sanctions

Iran Sanctions History – Part I



Prohibited:

- Commercial transactions between U.S. and Iran

Not Prohibited:

- Non-U.S. transactions clearing through U.S. (U-turns)
- Licensed or exempt activity

CISADA - Enhancing Previous Iran Sanctions

Iran Sanctions History – Part II



Prohibited:

- Commercial transactions between U.S. and Iran
- Non-U.S. transactions clearing through U.S. (U-turns)
- Any transactions involving blocked SDN banks

Not Prohibited:

- Licensed or exempt activity

CISADA - Enhancing Previous Iran Sanctions

Iran Sanctions History – Part III

Prohibited:

- Commercial transactions between U.S. and Iran
- Non-U.S. transactions clearing through U.S. (U-turns)
- Any transactions involving blocked SDN banks
- Restrictions on U.S. correspondent accounts for CISADA-sanctioned banks, located in third countries (i.e. not in Iran)

Not Prohibited:

- Licensed or exempt activity



CISADA Implications For Foreign Institutions

Ensure your institution does not engage in prohibited activities!

Implications for U.S. branches of foreign institutions

Possible inquiries coming from your U.S. correspondents

CISADA Implications For U.S. Institutions

Ensure your institution knows its correspondents!

How does your head office overseas handle Iran transactions?

Possible inquiries from Treasury regarding your correspondents, per section 104(e) of CISADA

Watch for updates from OFAC: www.treasury.gov/ofac

Where Do We Go From Here? OR Rather “What’s Next!”

- Somalia
- Syria
- ?

Enforcement Guidelines

Economic Sanctions Enforcement Guidelines

November 2009

**Economic Sanctions
Enforcement Procedures
for Banking Institutions**

January 12, 2006



OFAC
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