

CLIENT ALERT

U.S. Permanently Lifts Sanctions Against Sudan

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On October 6, 2017, the U.S. Department of State [announced](#) that, following sustained positive action by the Government of Sudan, all economic sanctions under Executive Orders 13067 and 13412 against Sudan and the Government of Sudan are revoked. Executive Order (“E.O.”) 13761, issued by President Obama on January 13, 2017, conditionally lifted the sanctions, which was to be made permanent following a six-month review of the Government of Sudan’s actions to “maintain a cessation of hostilities in conflict areas in Sudan, improve humanitarian access throughout Sudan, and maintain cooperation with the United States on addressing regional conflicts and the threat of terrorism.” The U.S. Department of the Treasury, Office of Foreign Assets Control (“OFAC”) concurrently issued a general license to authorize all transactions with Sudan and the Government of Sudan. On July 11, 2017, the Trump administration issued E.O. 13804, extending the review period for an additional three months. These sanctions are now permanently lifted as a result of the Secretary of State’s report, available [here](#). Secretary of State Tillerson will publish a notice in the Federal Register that Sudan has met the conditions set by President Obama in E.O. 13761.

Effective October 12, 2017, Sections 1 and 2 of E.O. 13067 and E.O. 13412 will be revoked. Additionally, OFAC expects to remove the Sudanese Sanctions Regulations (the “SSR”) from the Code of Federal Regulations. As a result:

- All property and interests in property blocked pursuant to the SSR is now unblocked;
- All trade between the United States and Sudan that was prohibited by the SSR is now authorized; and
- U.S. persons are authorized to facilitate transactions between Sudan and third countries.

OFAC has issued guidance on these changes with new Frequently Asked Questions, available [here](#).

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Certain Other Restrictions on Activity Related to Sudan Remain

Exports and re-exports to Sudan from the United States or containing U.S.-origin content may still be controlled under the Export Administration Regulations, and a license from the U.S. Department of Commerce, Bureau of Industry and Security (“BIS”) is still required for certain items, including most controlled goods, software, and technology. Furthermore, transactions by U.S. persons involving any person appearing on OFAC’s Specially Designated Nationals and Blocked Persons List (“SDN List”) are prohibited and targeted sanctions against certain individuals and entities, including those related to Darfur and South Sudan, remain in place.

General License A

OFAC issued General License A, effective October 12, 2017, to allow for certain transactions under Section 906 of the Trade Sanctions Reform and Export Enhancement Act of 2000 (“TSRA”), which imposes certain restrictions on the export of U.S.-origin agricultural commodities, medicine, and medical devices to Sudan or the Government of Sudan because it is designated as a state sponsor of terrorism. Because these provisions of the TSRA remain in place and Sudan remains designated as a state sponsor of terrorism, OFAC has issued General License A to authorize all exports and re-exports of agricultural commodities, medicine, and medical devices provided that the exports and re-exports are shipped within a 12-month period from the date of signing the contract.

Conclusion

U.S. companies may now engage in most activity with Sudan and the Government of Sudan with significantly fewer prohibitions. However, several restrictions remain in place due to targeted sanctions programs and general export controls. Companies should therefore ensure that proper compliance policies and procedures are in effect for activity involving Sudan and be aware of any export control restrictions that may require a license from BIS to export or re-export U.S.-origin items to Sudan. Companies should also continue to implement risk-based screening to avoid any prohibited activity with designated persons.

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