

OFAC Amends and Reissues More Comprehensive Somalia Sanctions Regulations

In a final rule issued last week, the U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) has amended and reissued the Somalia Sanctions Regulations, which can be found in 31 C.F.R. Part 551.

The final rule incorporates Executive Order 13536, (“Blocking Property of Certain Persons Contributing to the Conflict in Somalia”) and Executive Order 13620 (“Taking Additional Steps to Address the National Emergency With Respect to Somalia”), and replaces an abbreviated version of the regulations published in May 2010. By implementing Executive Order 13536, the new regulations prohibit the importation, directly or indirectly, of charcoal from Somalia.

Executive Order 13620 was issued in April 2010 in response to a United Nations Security Council Resolution targeting several issues related to Somalia, including but not limited to exports of charcoal from Somalia, which generate significant revenue for al-Shabaab, a U.S. designated foreign terrorist organization; the misappropriation of Somali public assets; and certain acts of violence committed against civilians in Somalia.

The new regulations also offer additional interpretive and definitional guidance, general licenses, and other regulatory provisions for the purpose of providing enhanced guidance to the public. Of note, the new regulations do not generally prohibit trade with, or the provision of banking or other financial services to Somalia. Instead, they apply where the transaction or service in question involves property or interests in property that are blocked pursuant to these sanctions. In this regard, the regulations provide for general licenses authorizing certain transactions related the investment of certain funds, payments for legal services from funds originating outside the United States, official business of the U.S. government, and official activities of international organizations.



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