

New OFAC General License Will Facilitate Trade with Burma

A new general license issued by the Department of the Treasury's Office of Foreign Assets Control (OFAC) will make it easier to transport goods between the United States and Burma.

Since 2012, the United States has been easing economic sanctions directed at Burma such that, with certain exceptions, most trade between the two countries is now permissible. However, it remains prohibited under the Burmese Sanctions Regulations for U.S. persons to trade with or otherwise engage in transactions with Specially Designated Nationals (SDNs) or with entities in which SDNs have an ownership interest of 50 percent or more. This prohibition has been problematic for trade between the two nations because Burma's largest marine terminal operator by volume, Asia World Port Terminal (AWPT), is owned by an entity on the SDN list.

Under a general license issued earlier this month, all trade-related transactions that are ordinarily incident to an exportation to or from Burma of goods, technology, or non-financial services are authorized, provided the exportation is not to, from, or on behalf of a person or entity on the SDN list.¹ Thus, U.S. banks and shippers can engage in authorized trade transactions involving AWPT, including participating in trade finance transactions and paying port fees and shipping and handling charges, as long as the underlying transaction is not to, from or for the benefit of AWPT (for example, AWPT cannot be the shipper or consignee and cannot have a direct or indirect interest in the goods or services being exported).

The general license also retroactively authorizes U.S. financial institutions to unblock and return transactions blocked on or after April 1, 2015 that would have qualified as authorized had they been engaged in pursuant to the general license.

Unless extended, the general license will expire on June 7, 2016.

Should you have any questions regarding U.S. policy with regards to Burma or other sanctions programs, please do not hesitate to contact a member of Cozen O'Connor's Transportation & Logistics Department.

¹ The exportation or re-exportation of financial services to Burma is covered under a separate general license.



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